GOVERNMENT OF INDIA

REPORT OF THE PLANTATION INQUIRY COMMISSION 1956

PART III—RUBBER

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PART III—RUBBER

CHAPTER I

General

Rubber is a commodity vitally needed for our economic well being. It enters into the production of a wide range of industrial goods. The importance of rubber to our industrial economy cannot, therefore, be over-emphasized.

The importance of Rubber.

2. The production of natural rubber in our country is confined to South India and is concentrated in the State of Travancore-Cochin and as such the industry plays an important part in the economy of the T. C. State*. Rubber plantations have helped in the opening up of vast areas of uplands in the T. C. State. The industry provides direct employment to nearly one lakh persons engaged as workers in rubber estates. Indirectly, it supports a large number of dealers and middlemen who earn their livelihood by trade in the produce and in the transport of the commodity to marketing centres.

Its place in the economy of T. C. State.

3. Although the first experimental planting of rubber was started in Travancore State towards the end of the last century, rubber cultivation on a commercial scale is said to have commenced around the year 1902†. The invention of the pneumatic tyre resulted in an increased demand for raw rubber and plantations sprung up, particularly in T.C. State, to meet this new demand. By 1910 the area under rubber plantations increased to 29,500 acres yielding about 80 tons. As rubber was then a very remunerative crop, more and more areas came to be devoted to rubber cultivation. The area under rubber in 1925 stood at 76,295 acres yielding about 6,300 tons. As a result of the depression of 1929-1930 the prices of rubber slumped to very low levels. With a view to bring stability to the industry, India, along with other producing countries, joined the International Rubber Regulation Agreement in 1934 whereby exports and new planting of rubber and consequently of production was sought to be regulated. Under the protection offered by the agreement, prices of rubber began to rise steadily and the area under rubber also rose to the extent permitted by the agreement.

Rubber cultivation—A brief historical retrospect.

World War II created an abnormal demand for rubber in India. 90% of the world's sources of natural rubber were cut off by the Japanese occupation of most of the important producing countries in South East Asia. India and Ceylon were the only sources of natural rubber for the allied nations. All restrictions on new planting and replanting were therefore removed in 1942§ and rubber growers in India were encouraged to maximise production by intensive tapping, slaughter-tapping and by new planting. Under this encouragement there occurred between 1943 and 1946 the largest increase in

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Note—*The State has now been re-named 'Kerala'. The States Reorganisation which came into force on 1st November, 1956 has re-distributed rubber producing areas between Kerala and Madras. In this report, however, references to States have been made on the basis of their pre-1st November, 1956 boundaries.

†For more information about the history of the Rubber industry, reference may be made to the Report of the Tariff Commission on Rubber (1951).

Note—§Although the International Rubber Agreement was formally terminated only in April, 1944 its regulatory provisions ceased to be operative from 1942.

planted area in any similar four-year period after 1926. The planted area increased from 1,24,943 acres in 1942 to 1,69,923 acres in 1946—an increase of 36%. By the end of 1949 the area under rubber in India rose to 1,82,788 acres and the production of rubber to 15,587 tons. At the close of 1955 the area was 2,07,239 acres and production 22,481 tons. In Annexure I is given a statement showing rate of planting and total planted area since 1938. Table I below gives the trends in the area and production of rubber in India since 1948.

TABLE I

Table showing production of raw rubber in India during the period 1948-55.

Year 1	Total area. 2	Tappable rubber area (in acres) 3	Total production (in tons) 4	Average yield per acre (in lbs.) 5
1948	1,80,360	1,18,811	15,422	291
1949	1,82,788	1,23,791	15,587	282
1950	1,85,115	1,37,888	15,599	253
1951	1,86,810	1,49,617	17,148	257
1952	1,89,169	1,59,028	19,863	280
1953	1,92,447	1,63,280	21,136	290
1954	2,00,688	1,64,985	21,493	292
1955	2,07,239	1,66,008	22,481	303

Source:—Indian Rubber Board.

India's place in world rubber.

4. Quantitatively, India's place in the world production of rubber is hardly significant. Tables II and III below indicate India's acreage and production in relation to the area and production of rubber in the major rubber-producing countries of the world. It will be observed that the production of rubber in India is only 1.2% of the world's production.

TABLE II

Table showing area under rubber in India related to the total area under rubber in all principal rubber producing countries of the world.

(Figures in cols. 2 and 3 are in thousand acres)

Year 1	India's acreage 2	World acreage* 3	Percentage 4
1937	126	6,654	1.89
1939	133	6,976	1.91
1946	158	7,303	2.16
1950	171	7,057	2.42
1951	171	7,323	2.34
1952	173	7,459	2.32
1953	174	7,572	2.30

*Owing to incompleteness of statistics this is only an estimate.

Source:—Plantation Crops.

TABLE III

Table showing production of rubber in India related to the total production of rubber in all the principal rubber producing countries of the world.

(Figures in cols. 2 and 3 in thousand tons, dry weight)

Year 1	India's production 2	World production**. 3	Percentage 4
1937	14	1,210	1.16
1939	14	1,000	1.40
1946	16	838	1.91
1950	16	1,860	0.86
1951	17	1,885	0.90
1952	20	1,790	1.12
1953	21	1,725	1.22

**Estimates of Rubber Study Group

Source:—Plantation Crops.

Rubber production in India in relation to internal demand.

5. The rubber produced in India was mainly exported until about two decades ago. In 1938 the internal consumption of rubber was only 5,600 tons out of a total annual production of about 14,000 tons. Since then, with the expansion and development of the rubber manufacturing industry in India, consumption of rubber in India has risen steadily and the position to-day is that the entire indigenous production is consumed by the Indian rubber manufacturing industry and, in addition, substantial quantities are also imported to meet the industry's needs. Table IV below shows the internal consumption of rubber in India.

TABLE IV

Table showing production, imports and consumption of rubber in India during the years 1948 to 1955.

(in tons)

Year 1	Production 2	Imports 3	Consumption 4
1948	15,422	4,333	19,719
1949	15,587	2,767	19,192
1950	15,599	1,082	17,735
1951	17,148	6,921	22,427
1952	19,863	3,851	21,061
1953	21,136	272	22,373
1954	21,493	3,371	25,487
1955	22,481	3,839	27,543
Total	1,48,729	26,436	1,75,537

Source —Rubber Board.

6. Although rubber production in India was started about fifty years ago, the rubber manufacturing industry is of more recent origin. Started in the 1920's, the manufacturing industry has since grown both in strength and character. World War II gave an additional impetus to this industry, although marked progress was made only after 1947. At present the industry consumes about 27,000 tons of raw rubber annually the major portion of which is from indigenous sources. With few exceptions, we now produce in our country practically every kind of rubber goods to meet internal requirements. We are also exporting our manufactures to the markets of the Middle East, Burma, Ceylon and Pakistan. Unlike the other rubber producing countries, India is now in the unique position of being a producer of raw rubber as well as a manufacturer of rubber goods. The production of raw rubber has not, however, kept pace with the demands from the manufacturing industry. In fact one of the main problems of the rubber production industry is to increase its production to meet the demands of manufacturers so as to make India self-sufficient as far as possible in regard to her present and future requirements of raw rubber.

Rubber manufacturing industry in India.

7. Acute shortage of rubber during the war gave an impetus to the search for synthetic substitutes. The lead in this search was taken by the U. S. A. whose efforts have had remarkable success. To-day, the output of synthetic rubber has assumed such proportions that it has become a real threat to natural rubber. However, in view of the fact that the industrial uses of rubber are ever increasing and the fact that for certain types of manufactures natural rubber has not so far been replaced by the synthetic product, it may be taken that in the near future natural rubber has a place if it can economically compete with synthetic rubber.

Synthetic rubber.

8. We shall in the following chapters examine the economic conditions and problems of this industry in the light of our terms of reference.

CHAPTER II

Climatic and other characteristics of rubber growing regions in India.

In this chapter, we shall briefly indicate the climatic and other characteristics of rubber growing regions in India. Rubber grows in the tropical belt lying within 15° North and 10° South of the equator and generally at elevations below 1000 ft. A stiff loamy soil of good texture is preferred for rubber growing to hard laterite soils. Besides, rubber requires a warm and humid climate, with rainfall ranging from about 80 to 120 inches per annum which should be well distributed throughout the year. In India, conditions approximating to these obtain in parts of Travancore-Cochin and Malabar, the foot-hills of the Western ghats and Andaman islands. The rainfall in these regions, however,

Climatic and other conditions suitable for rubber cultivation.

Note:—The information summarised in this chapter has been collected among others, from the following sources:—

1. Report of the Indian Tariff Board on Rubber (1951).
2. Bulletin of the Ministry of Industry and Supply Vol. III no. 3 (Pages 1-26).
3. Rubber Indian February, 1954.
4. Statistics supplied by the Rubber Board.

is not as well distributed as in some of the other rubber growing countries like Ceylon and Indonesia. In the rubber growing regions of India there is a long spell of dry hot season followed by heavy monsoon. This affects to some extent the growth and the yield of rubber trees.

Rubber growing regions in India.

2. Rubber plantations in India are concentrated to a large extent in the State of Travancore-Cochin and to a smaller extent in Malabar in Madras State; small areas of rubber also exist in Nilgiris, Coimbatore and Salem districts of Madras, Coorg, Mysore and the Andamans. Travancore-Cochin State accounts for nearly 81% of the total acreage and 83% of the total production of rubber. The districts of Kottayam and Quilon in T. C. State have the largest concentration of rubber in India, accounting for a production of about 9,200 tons and 5,500 tons respectively. The following tables show the region-wise distribution of the areas of rubber plantations and the yield per acre. These figures show that the yield of rubber is the highest in Travancore.

TABLE V.

Geographical distribution of rubber cultivation in India as on 31-12-1955.

Region 1	No. of estates above 50 acres 2	No. of holdings upto and including 50 acres. 3	Total area in acres. 4	Percentage to the total area under rubber 5	Production in tons 6	Percentage 7
Travancore-Cochin	321	26,251	1,67,229.00	81	18,627	82.9
Malabar	104	508	33,499.70	16	3,235	14.3
Rest of Madras	11	19	2,466.82	1	205	0.9
Coorg	6	2	3,297.20	2	359	1.6
Mysore	3	5	416.03	...	31	0.2
Others	1	2	331.23	...	24	0.1
Total.	446	26,787	2,07,239.98	100	22,481	100.0

TABLE VI

Table showing average annual yield per acre af rubber in India according to regions.

Region 1	Average yield per acre (in lbs.) 1948 2	1949 3	1950 4	1951 5	1952 6	1953 7	1954 8
Travancore	263	278	268	273	297	307	311
Cochin	175	173	165	194	234	266	249
Madras (Malabar)	254	234	235	218	231	238	236
Coorg	257	230	228	212	257	260	262
Mysore	179	157	128	141	181	170	181

The above figures of yields are only averages. There are large variations in yield from region to region and also from estate to estate. Generally, the areas in Malabar do not yield as high as some parts in the south of Travancore. Suitable lands for rubber cultivation in India are very limited and

are situated only in the southern taluks of Travancore. Other lands which are not so suitable but could be worked at a low rate of profit under normal conditions stretch from Central Travancore right up to the north of Malabar. Figures furnished by the Rubber Board (see Annexure II) show that the highest yielding estate in Malabar is one which records 400 lbs. per acre. In Travancore-Cochin there are a number of estates which give a yield of over 400 lbs. per acre. An estate in South Travancore shows the maximum yield of 1067 lbs. per acre. In Coorg, the highest yield is only 360 lbs. The average yield per acre in India as compared to other rubber growing countries is shown in Table VII. It will be observed from the table that the yield of rubber in India is about the lowest.

TABLE VII

Table showing yield per acre of rubber in India as compared with the other rubber growing countries in 1953.

Country 1	Area in thousand acres 2	Production in thousand tons 3	Yield per acre (In lbs.) 4
India	174	21	270.34
Ceylon	657	99	337.53
Malaya	3,746	574	343.24

Source—Plantation Crops 1955.

Rubber growing regions in India compared with Malaya.

3. In India the rubber tree comes into production in the 7th or 8th year from planting, whereas in Malaya, we understand, that the trees grow faster and begin to yield from the sixth year onwards. In India production of rubber is not uniform throughout the year. It varies from month to-month, September to January yielding the highest quantities; the yield tapers off during February/ March mainly due to "wintering" of trees. Then comes brisk tapping for a couple of months followed by the monsoon season resulting in the loss of many tapping days and consequent low yield until August. On this account the crop is not evenly distributed over the months. Table VIII shows the monthly production of rubber in 1955 as percentages to the total.

TABLE VIII

Table showing monthly production of raw rubber in 1955 as percentages to total.

Particulars.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Production in tons	1700	434	1329	2277	2085	1037	1636	1756	2310	2450	2680	2787	22481
Percentage	7.6	1.9	5.9	10.2	9.3	4.8	7.3	7.9	10.3	10.9	12.0	11.9	100

Source:—Rubber Board.

In Malaya conditions are different; it usually rains only in the afternoons causing much less interference with tapping and since there is rain all through the year, tapping is not laid off in winter. Further, as a result of researches in Malaya, trees with hereditary high yielding qualities have been discovered and a method of propagating them vegetatively called budding or

bud-grafting has been evolved. The clones thus selected are said to yield about three times the unselected seedling trees. In India there is only limited source of supply of clonal seeds.

Seeds have, therefore, to be imported from other countries at considerable cost. The rubber trees in India are also subject to diseases to a greater degree because of variations in climate and rainfall.* These are other contributory causes for the lower yields in India. One of the most important problems of rubber in India is that of increasing the yield per acre and thereby effecting a reduction of production costs.

CHAPTER III.

The organisational structure of the raw Rubber Industry in India.

Introduction.

Although rubber cultivation had its start on a plantation scale by British planters, the greater part of the increase in the area under rubber cultivation is attributable to the enterprise of a large number of Indian proprietary planters, predominantly small holders who came into the field later. During and after World War II some of the foreign owned plantations have passed into Indian hands; nevertheless, foreign investment in rubber continues to a sizeable extent.

Rubber plantations classified according to size and ownership.

2. Rubber plantations in India range in size from holdings having a fraction of an acre to estates of nearly 3,000 acres. Rubber plantations of over 100 acres may be termed estates and those whose area range upto 100 acres termed holdings. The latter are generally owned by individuals, families or partnerships. Under the Rubber Act owners of rubber holdings of 50 acres and below are called 'small grower'. Rubber plantations in India may be broadly classified as follows on the basis of size and ownership:

(i) Holdings of 50 acres and below owned by individuals, families or partnerships.

(ii) Holdings over 50 acres upto 100 acres owned by individuals, families or partnerships.

(iii) Estates of over 100 acres owned by individuals, families or partnerships.

(iv) Estates of over 100 acres owned by joint stock companies managed by Board of Directors.

(v) Estates of over 100 acres owned by joint stock companies managed by Managing Agents.

(vi) Estates of over 100 acres owned by joint stock companies incorporated in the United Kingdom.

Note:—*"Two serious leaf diseases of rubber in India are *odium hevea* and *phytophthova meadii* which cause secondary leaf fall. The former occurs in a serious form in South Travancore where the South West Monsoon is not severe. The latter, on the other hand occurs in a more serious form in North Travancore where the South West Monsoon is heavy causing secondary leaf fall after the first few rains and destroys the seeds also.................These diseases destroy a large number of leaves every year and the repetition of these diseases over many years results in retardation of the growth of the trees and in a poorer yield." (Tariff Boards' Report 1951).

3. A further distinction may be drawn in the case of Joint Stock Companies based on the nature of control as distinguished from ownership. The type of control is represented by the nationality of the majority of the members on the Board of Directors and the nature of ownership is represented by the nationality of the majority of the share-holders of the company. In the case of companies under Managing Agents, the real control can be said to vest with the Managing Agency and therefore the type of control of the company could be determined by the nationality of the Board of Directors of the managing agency company.

Classified according to control.

Thus, we have classified a company as Non-Indian when the majority of shares are held by Non-Indians and the Board is also predominantly Non-Indian. When the majority of shares are held by Indians and the Board is predominantly Non-Indian, it has been classified as partly Non-Indian. When the majority of the shares are held by Indians and the Board is also predominantly Indian, the company has been classified as Indian. Managing Agency companies have been classed as Indian or Non-Indian depending upon the nationality of the majority of members of its Board.

Our questionnaires were sent to all estates of over 100 acres. The replies received were classified under the following heads:—

(i) Sterling companies controlled by secretaries or Managing Agents.

(ii) Rupee companies controlled by Non-Indian Managing Agents.

(1) Non-Indian.

(2) Partly Non-Indian.

(iii) Rupee companies controlled by Indian Managing Agents.

(iv) Rupee companies controlled by Board of Directors.

(1) Public Ltd. companies predominantly Indian.

(2) Private Ltd. companies predominantly Indian.

(3) Public Ltd. companies predominantly Non-Indian.

(4) Private Ltd. companies predominantly Non-Indian.

(5) Proprietary and partnership concerns.

(i) Indian.

(ii) Non-Indian.

Although these are the detailed heads under which we have analysed the returns submitted by the companies, for purposes of convenience of comparison, we have reduced the above classification into five as under:—

1. Sterling companies.
2. Rupee companies under Non-Indian Control. (Managing Agents or Board of Directors).
3. Rupee companies under Indian control (Managing Agents or Board of Directors).
4. Proprietary end Partnership concerns (Non-Indian)
5. Proprietary and Partnership concerns (Indian).

4. The replies received in response to our questionnaire cover 67,341 acres i. e. about 32·5% of the area under rubber or 67% of the area of estates over 100 acres. These include all Sterling companies and Rupee companies under Non-Indian control. The companies and concerns that have not responded are mostly Indian. The table IX shows the number and area of reporting companies and proprietary concerns classified under the above groups:—

Reporting acreage analysed.

TABLE IX

Table showing the number and area of reporting companies and proprietary and partnership concerns.

Type of Ownership/Management	No. of Cos./ concerns	Area in acres (1953)	Production in tons. (1953)
1.	2.	3.	4.
Companies :			
Sterling	4	25,965	3,964
Rupee Non-Indian	6	12,736	1,887
Rupee Indian	29	19,035	4,554
Proprietary/Partnership			
Non-Indian	1	334	29
Indian	38	9,271	9,34
Total	78	67,341	11,368

Source:—Returns from estates.

The total area under Sterling and Non-Indian ownership and control is about 40,000 acres forming about 20% of the total area under rubber. The production controlled by this section is nearly 30% of the total production of rubber or nearly 42% of the production of all estates of over 100 acres. Thus in rubber plantations a comparatively larger section is in the hands of Sterling and Non-Indian controlled companies than in the case of coffee although less than in the case of Tea. Four Sterling companies cover an area of 26,000 acres and account for 4,000 tons of production (20% of the total production). One Sterling company alone controls an area of about 19,000 acres, having a production of about 3,000 tons. 55% of the area under estates is under the control of 2 Sterling companies, and ten Rupee Managing Agencies/companies/concerns as shown below:—

		Area in Acres
1.	2 Sterling companies	21,624
2.	2 Non-Indian Managing Agencies	12,736
3.	2 Indian Managing Agencies	11,171
4.	4 Director controlled Public Ltd. companies	6,785
5.	2 Indian Proprietary concerns	3,550
	Total	55,866

5. Table X shows the distribution of the number and acreage of rubber estates according to size.

Distribution of estates according to sizes.

Estates of over 100 acres form 1% of the total number of estates and holdings but they account for 50% of the total acreage and about 67% of the total production. Holdings having an area af 50 acres or below number 26,787 units totalling 89,670 acres or 43% of the total rubber area.

The small growers hold an important place in the rubber industry. The area of individual holdings varies from a fraction of an acre upto 100 acres. The number of holdings upto and including 5 acres from the largest group of 23,364 units covering 45,000 acres. The small holders have certain special problems of their own. These are discussed in detail in the chapter on the 'Small Grower.'

TABLE X.

Table showing the distribution of area under rubber according to estates and holdings as on 31-12-1955

Size of estates and holdings 1	Number of units 2	Area in acres 3	% of total area 4	Production in tons 5	% o tota pro 6
Estates above 100 acres and upto & including 500 acres	179	37,181.60	18	...	...
Estates above 500 acres and upto & including 1,000 acres	33	23,665.97	11	...	...
Estates above 1,000 acres and upto & including 1,500 acres	15	18,566.03	9	...	...
Estates above 1,500 acres and upto & including 2,000 acres	4	6,825.83	3	...	...
Estates of above 2,000 acres	6	14,573.43	7	...	...
Total of estates above 100 acres	237	1,00,812.86	48	15,182	67
Holdings upto and including 5 acres	23,364	45,193.04	22	...	...
Holdings above 5 acres and upto & including 10 acres	1,948	14,083.47	7	...	...
Holdings above 10 acres and upto & including 50 acres	1,475	30,394.03	15	...	...
Holdings above 50 acres and upto & including 100 acres	209	16,756.58	8	...	...
Total of holdings 100 acres and below	26,996	1,06,427.12	52	7,299	33
Grand Total	27,233	2,07,239.98	100	22,481	100

Source—Rubber Board.

Rubber control.

6. Rubber is one of the industries which is controlled by the Unioı Government. The Rubber Production and Marketing Control Act of 194 was enacted to "provide for the development unde central control of the Rubber industry so far a regards the production and the marketing of rubbe and for regulating export and import of rubber." The Indian Rubber Boar was set up under this Act "to promote by such measures as it thinks fit for th development of the Rubber Industry". The Rubber Production and marketin (Amendment) Act of 1954 has made certain changes in the constitution c the Board in order "to provide for development under the control of th Union of the Rubber Industry." The Chairman of the Board is now a ful time official of the Government of India.

The control by the Rubber Board of the Industry differs from that exer cised by the Coffee Board on the Coffee Industry, in-as-much-as, marketin of rubber is not centralized as in the case of Coffee. Recently certain scheme of replanting have been started by the new Rubber Board. Also nev planting schemes are under consideration. A Rubber Research Centre ha been inaugurated to provide facilities for co-ordinated scientific research

The production cess has been increased to promote development and research. The Board which could hardly do much for the development of the Industry, since 1947 has really started with a new life to make it-self useful to the Industry.

CHAPTER IV.

Capital Structure.

Introductory.

We have described in the last chapter the main features of the structure of the rubber industry. In this chapter we shall attempt to evaluate management-wise the amount of capital invested in this industry, the growth in the capital investment since 1939 and also estimate the Indian and Non-Indian share in the total investment.

Sources of information.

2. In Proforma 'A' of our questionnaire on rubber we had called for copies of the balance sheets and profit and loss accounts of rubber plantation companies for the years 1939, 1946 and 1950-1953 and also figures of authorised and paid-up capital (1) at the time of formation of the companies concerned (2) on 30th June 1939 and (3) on 30th June 1954. We had also asked for figures showing the break-up of paid-up capital according to types of investors namely (i) Managing Agents (ii) Institutional Investors and (iii) Individuals-Indian and Non-Indian. Replies were received from 39 companies covering 57,736 acres i. e. 76% of acreage under companies; in addition, copies of the balance sheets only for the year 1953-54 were received from 30 companies covering 15,618 acres. The data obtained from these balance sheets and the replies to questionnaire have formed the basis of our study of the capital structure of rubber plantation companies.

Limitations of data.

3. Many of the rubber plantation companies have also tea and coffee plantations in addition to rubber. The accounts furnished are in respect of all the plantations together and in such cases the capital invested in respect of the rubber plantation alone had to be estimated. Although we had requested the estates to submit estimated figures in these cases many of them did not do so. They stated that it was not possible to allocate their capital investment as between rubber and other crops. It became, therefore, necessary for us to estimate it on some suitable basis. This has been done on a comparison of the 'net worth'* of similarly placed companies which had only coffee, tea or rubber. In the case of estates which had rubber along with other minor crops, the allocation was done in proportion to the acreage of each crop. Where the minor crops formed only a small part of the total area it was treated as negligible and no allowance made for it.

While particulars regarding paid-up capital were available in all the returns, information about the holdings of the shares as between Indians and Non-Indians and according to classes of investors viz., Managing Agents, Institutional Investors, etc., was not available in some. In making use of the available data, the following assumptions have been made:—

Shareholdings in the rubber companies of Managing Agents and Secretaries functioning in India but having head offices abroad have been

*'Net worth' is the sum of paid-up capital and reserves.

taken to be Non-Indian investment. Likewise, the share holdings of Managing Agents incorporated in India but whose Board of Directors is predominantly Non-Indian, have also been taken to be Non-Indian investment. The shares held by Managing Agents whose Boards of management are predominantly Indian have been treated to be Indian investment. In the absence of further details, the shares held by institutional investors in Sterling companies are taken as Non-Indian investment. Similarly, shares held by institutional investors in all Rupee companies have been taken to be Indian, unless otherwise clearly specified in the returns.

The general trend of holdings between 1939 and 1954.

4. The number of reporting companies that have given figures for paid-up capital with details of shareholdings in 1939 as well as in 1954 is only 15, covering 37,341 acres. Table XI gives a comparative study of the shareholdings in these 15 companies under the heads of holdings by Managing Agents, by Institutional Investors and by other individuals.

This study of 15 companies indicates that there has been a noticeable shift in the investment from Non-Indians to Indians. The overall increase in the shares of Indians is 11·52%, from 14·28% to 25·80% for all types of companies. The individual shareholdings show a rise from 13·87% to 22·79% i. e., an increase of 8·92%. The Non-Indian shareholdings show a fall of 9·57%. Under Institutional Investors there is a rise in the shareholdings of Indians from 0·26% to 2·44% and under Managing Agents a rise of 0·42%, from 0·15% to 0·57%.

Holdings of individuals analysed by classes of companies.

5. The four reporting Sterling companies do not show any noticeable increase in their paid-up capital between 1939 and1953. The proportion of Indian and non-Indian shareholdings also does not show any significant variation between these two years. The Rupee Non-Indian companies showed an increase in their paid-up capital from Rs. 13.93 lakhs to Rs. 25.62 lakhs%. The Indian share of this capital has increased from 12.85% to 74.77. In the Rupee Indian companies the share of Non-Indian investment shows only a very small increase of 0.27% from 0.66% to 0.93%.

Table XII gives particulars of Indian and Non-Indian shareholdings in respect of 36 companies for the year 1953. This includes all Sterling companies and all Rupee Non-Indian companies in the rubber plantation industry. The total area covered by these companies is 74% of the area under Joint Stock companies in the industry. This Table shows that out of a total share capital of Rs. 2.89 crores, Non-Indian shareholdings account for about 43% and the Indian shareholdings for 57%. In Sterling companies there is only 0.6% of Indian holdings. In Rupee Non-Indian companies the share of Indian holdings is 77.96%. In Rupee Indian companies the share of Non-Indian holdings is 1.81%. The proportion of share-holdings as worked out in this Table formed the basis of our evaluation of the Non-Indian and Indian share of investment in the company sector of the rubber plantation industry as will be indicated in the next paragraph.

Capital investment in reporting companies.

6. The capital invested in the Joint Stock companies should be considered as the sum of the paid-up capital and reserves since it is this sum that represents the shareholders' equity. In Annexure III is given the paid-up capital and reserves in respect of the reporting Sterling companies, Rupee Non-Indian and Rupee Indian companies. The reserves that have been taken into account for this purpose cover all reserves including the balance of profit and loss account but exclude

TABLE XI

Table showing Paid-up Capital according to class of investors for 15 rubber companies in the years 1939 and 1954

(In Rs.)

Type of Management	No. of Companies	Managing Agents		Institutional Investors		Others		Total
		Indian	Non-Indian	Indian	Non-Indian	Indian	Non-Indian	
1	2	3	4	5	6	7	8	9
1939								
Sterling Companies	4	...	2,98,334 (2.82)	...	26,54,120 (25.12)	61,299 (0.58)	75,52,087 (71.41)	1,05,65,840 (100)
Rupee Non-Indian	3	...	35,426 (2.54)	32,351 (2.33)	...	1,46,677 (10.52)	11,79,496 (84.61)	13,93,950 (100)
Rupee Indian	8	20,300 (1.18)	...	2,980 (0.17)	...	16,89,407 (97.99)	11,460 (0.66)	17,24,147 (100)
Total	15	20,300 (0.15)	3,33,760 (2.46)	35,331 (0.26)	26,54,120 (19.38)	18,97,383 (13.87)	87,43,043 (63.88)	1,36,83,937 (100)
1954								
Sterling Companies	4	...	3,17,667 (2.98)	...	26,61,533 (24.99)	64,027 (0.60)	76,05,946 (71.43)	1,06,49,173 (100)
Rupee Non-Indian	3	...	35,715 (1.39)	2,49,867 (9.75)	...	16,66,114 (65.02)	6,10,922 (23.84)	25,62,618 (100)
Rupee Indian	8	86,470 (4.44)	...	1,19,775 (6.14)	...	17,24,790 (88.49)	18,120 (0.93)	19,49,155 (100)
Total	15	86.470 (0.57)	3,53,382 (2.33)	3,69,642 (2.44)	26,61,533 (17.56)	34,54,931 (22.79)	82,34,988 (54.31)	1,51,60,946 (100)

Figures in brackets give percentage to total.
Source: Returns of Estates

TABLE XII

Table showing Paid-up Capital according to class of investors for 36 rubber companies as on 30-6-54

(In Rs.)

Type of Management	No. of Companies	Acreage	Managing Agents		Institutional Investors		Others		Total
			Indian	Non-Indian	Indian	Non-Indian	Indian	Non-Indian	
1	2	3	4	5	6	7	8	9	10
Sterling Companies	4	25,965	...	3,17,667 (2.98)	...	26,61,533 (24.99)	64,027 (0.60)	76,05,946 (71.43)	1,06,49,173 (100)
Rupee Non-Indian	6	12,735	...	1,17,425 (1.64)	6,15,221 (8.57)	...	49,80,461 (69.39)	14,64,061 (20.40)	71,77,198 (100)
Rupee Indian	26	17,771	2,74,038 (2.47)	...	7,61,864 (6.86)	...	98,65,447 (88.86)	2,00,626 (1.81)	1,11,01,975 (100)
Total	36	56,471	2,74,038 (0.95)	4,35,122 (1.50)	13,77,085 (4.76)	26,61,533 (9.20)	1,49,09,935 (51.54)	92,70,633 (32.05)	2,89,28,346 (100)

Figures in brackets give percentage to the total.
Source : Returns from Estates.

taxation reserves and those reserves which have been specifically funded outside the business. The total capital invested by the reporting rubber plantation companies is seen to be Rs. 6.83 crores of which Rs. 4.55 crores or 66.5% is Indian and Rs. 2.28 crores i.e., 33.5% Non-Indian.

Investment analysis of Sterling companies.

7. These Sterling companies cover an area of 25,965 acres i. e. 12.5% of total area under rubber and account for a production of 3,964 tons of rubber i.e., about 18% of the total production of rubber. The capital invested in them is Rs. 1.96 crores of which Rs. 1.07 crores is paid-up capital and Rs. 0.89 crores is reserves. The entire capital excepting a small proportion of 0.6% can be taken as Non-Indian according to the proportion worked out in Table XII. The Sterling companies thus hold a significant place in rubber plantation industry.

Rupee Non Indian companies

8. The Rupee Non-Indian companies cover an area of 12,736 acres and account for a production of 1,887 tons i. e., 9% of the total production of rubber. The capital investment in them is Rs. 1.2 crores i. e. 18% of the total investment in reporting rubber companies of which Rs. 0.72 crores is paid-up capital and Rs. 0.48 crores is reserves. From Table XII it is seen that the percentage of Non-Indian holdings in Rupee Non-Indian companies is only 22·04%. Applying this percentage to the total investment by reporting Rupee Non-Indian companies, the Non-Indian share of the investment works out to Rs. 0·27 crores and the Indian investment Rs. 93 crores.

Rupee Indian companies.

9. The Rupee Indian companies cover an area of 34,653 acres and account for a production of 7,018 tons i.e., 33.03% of the total production of rubber in India. The capital invested in them is Rs. 3.67 crores i. e., 54% of the total investment in reporting rubber companies out of which Rs. 0·07 crores is Non-Indian and Rs. 3.6 crores is Indian as worked out by applying the proportion given in Table XII.

Capital investment in reporting companies analysed according to types of ownership.

10. For the coverage of 73,354 acres of rubber, the capital investment, Indian and Non-Indian separately, is given below for the year ending 30th June, 1954.

Table XIII.

Table showing capital invested in reporting rubber plantation companies as on 30-6-1954

(In crores of Rs.)

Type of companies.	Indian			Non-Indian			Total		
	Paid-up capital	Reserves.	Total	Paid-up capital	Reserves.	Total	Paid-up capital	Reserves.	Total.
1	2	3	4	5	6	7	8	9	10
Sterling.	0·0064	0·0053	0·01	1·0636	0·8847	1·95	1·07	0·89	1·96
Rupee Non-Indian.	0·56	0·37	0·93	0·16	0·11	0·27	0·72	0·48	1·20
Rupee Indian	2·47	1·13	3·60	0·05	0·02	0·07	2·52	1·15	3·67
Total	3·0364	1·5053	4·54	1·2736	1·0147	2·29	4·31	2·52	6·83

11. The total number of Joint Stock companies in the rubber plantation industry is, according to the list supplied by the Rubber Board, understood to be 72 covering an area of 75,904 acres. On the assumption that non-reporting companies are all Indian owned, it is possible to evaluate the capital invested in these companies on the basis of the average capital invested per acre (Rs. 1,060 per acre) in the reporting Indian companies. Calculated on this basis the capital investment in Non-reporting companies works out to Rs. 27 lakhs of which Rs. 0.48 lakhs can be taken as Non-Indian and Rs. 26·52 lakhs as Indian.

Total capital investment in Joint Stock Companies worked out.

12. The total capital investment in the rubber plantation industry in the company sector may, therefore, be taken as Rs. 7.1 crores, out of which Rs. 2.34 crores or 33% of the total is Non-Indian and Rs. 4.76 crores or 67% is Indian.

In the company sector.

TABLE XIV

13. In proprietary and partnership concerns

Table showing capital invested in reporting proprietary/partnership concerns as on 30th June 1954.

Type of Concerns	No. of Concerns	Area covered in acres	Capital invested in Rs. (Crores)	Capital invested per acre (Rs.)
1	2	3	4	5
Indian.	38	9,271	1·06	1,136
Non-Indian.	1	334	0·02	648
Total	39	9,605	1·08	1,125*

In Proforma 'B' of our questionnaire we had asked Proprietary and Partnership concerns owning over 100 acres to furnish figures showing the total capital invested in their rubber concerns. Information has been received from 39 Proprietary and Partnership concerns of which one covering 334 acres is Non-Indian and the remaining 38 concerns covering 9,271 acres are owned by Indians. The total capital invested by these concerns amounts to Rs. 1.08 crores which works out to Rs. 1,125 per acre. The non-reporting rubber estates owned by Proprietary and Partnership concerns of over 100 acres cover 15,303 acres. If the investment in these is also taken to be of the same level as the investment in the reporting Indian concerns, the capital invested in them would work out to Rs. 1.74 crores. Total capital invested in the Proprietary and Partnership sector would therefore be Rs. 2.82 crores of which Rs. 2.80 crores may be taken as Indian and the remaining Rs. 0.02 crores as Non-Indian. The total capital invested in the rubber plantation industry covering estates of over 100 acres may, on this basis, be estimated as shown in the Table below:—

* Average of Indian and Non-Indian.

TABLE XV

Table showing the iuvestment in rubber estates of over 100 acres.

(In crores of Rs.)

Item	Investment by companies		Investment by proprietary & partnership concerns		Total		
	Non-Indian	Indian	Non-Indian	Indian	Non-Indian	Indian	Total
1	2	3	4	5	6	7	8
Actuals (for 82,959 acres)	2.290	4.540	0.02	1.06	2.310	5.600	7.91
Estimated (for 17,853 acres)	0.048	0.222	—	1.74	0.048	1.962	2.01
Total	2.338	4.762	0.02	2.80	2.358	7.562	9.92

According to the Rubber Board rubber holdings of upto 100 acres cover an area of about 1.06 lakh acres. The capital invested by them in rubber is difficult of assessment. Any estimate that we may make would suffer from serious limitations. We are, therefore, confining our analysis of capital investment only to those holding over 100 acres.

Resume of the analysis made

14. Thus, our above analysis of capital invested in rubber companies covers (1) all Sterling companies (2) all Rupee Non-Indian companies (3) a large majority of Rupee Indian companies and (4) according to acreage about 40% of Proprietary and Partnership concerns of over 100 acres. The total capital invested in these plantations is estimated to be Rs. 9.92 crores of which Rs. 7.59 crores are Indian (76%) and 2·36 crores are Non-Indian (24%). The investment in Sterling companies comes to Rs. 1.96 crores, Rupee Non-Indian companies Rs. 1.20 crores, and Rupee Indian companies Rs. 3.94 crores. The investment in Proprietary and Partnership concerns is estimated as Rupees 2.82 crores. Between 1939 and 1954 there has been a noticeable shift in the investment from Non-Indians to Indians. This is very marked in the share holdings of Rupee Non-Indian companies. There has also been an increase in share holdings by Managing Agents and Institutional investors. Even so, the share of Managing Agents' holdings to the total, ranges only from 1·4% to 4·4%; investment by institutional investors is higher in Sterling companies being 24.9% and lowest in Rupee Indian companies at 6.1%.

15. In the following paragraphs balance sheets of 17 companies under different types of management for the years 1939, 1946 and 1953 (covering an area of 35,798 acres in 1953) are studied. The coverage is small because a number of planting companies that were established during the war years and thereafter fall out of this analysis. However, the Research and Statistics Department of the Reserve Bank had figures for the years 1950-53 in respect of twenty seven Rupee Indian companies (covering 20,199 acres in 1953) and four Rupee Non-Indian companies covering 8,768 acres in 1953) and they placed them kindly at our disposal at our request. These figures have also been made use of in this study; these include 9 out of the 13 Rupee Indian and Non-Indian companies covered by our analysis.

TABLE XVI

Table showing coverage of the companies analysed,

A*

Type of Ownership/ Management 1	No. of companies 2	Planted area in acres in 1953. 3	% of the area of each group to the total area of company sector 4	% of the area of each group to the total area of each group. 5
Sterling companies:	4	23,450	31·3	93·8
Rupee Companies:				
Under Non-Indian Managing Agents.	3	6,306	8·4	52·5
Under Indian Managing Agents.	4	2,465	3·3	15·9
Director controlled Ltd. companies.	6	3,577	4·8	
Total.	17	35,798	47·8	
		B**		
Indian controlled companies	27	20,199	26·5	53
Non-Indian controlled companies	4	8,768	11·6	69

16. The method of analysis followed is to compute the value of different items of fixed and floating assets for different managements, the extent of their growth between 1939 and 1953, and 1950-53, make an assessment of their adequacy in relation to minimum needs of fixed assets, and the extent of utilisation of available resources for developing fixed assets. On similar lines the share capital and reserves of these companies and long-term and current borrowings are studied. The chapter concludes with certain proposals regarding fixed assets and sources of funds.

In as much as resources and nature of management widely differed in respect of companies, the management-wise figures should be read along with the totals in respect of companies, under various managements to get a realistic picture. As the management-wise totals relate only to averages, the latter have been broken up into case studies so as to get a picture of the position in the different management groups.

Value of total assets (our figures).

17. The total assets of the 17 companies studied by us shows an increase from Rs. 1.93 crores in 1939 to Rs. 4.05 crores in 1953 (Vide Annexure IV). The net capital formation amounts to Rs. 2.12 crores or 109%. There has been an increase in assets in all the groups of companies (Annexure-V).

Fixed assets-estimation of

18. Net fixed assets per acre according to our figures are Rs. 593 in the Indian companies under Indian managing agencies, Rs. 594 in the Public Ltd. Director-controlled Indian companies and Rs. 565 for all groups of companies (Vide Annexure VI-A). Case studies show that 7 out of 10 Indian companies have net fixed assets ranging from Rs. 340 to Rs. 615 per acre and remaining 3 have Rs. 701, Rs. 829 and Rs. 935 respectively in the year 1953-54 (Vide Annexure VI-B). Figures of net fixed assets for 27 Indian companies as furnished by the Reserve Bank are given in Table XVII.

A* Relate to companies whose figures were analysed by the Commission.
B** Relate to companies whose figures were analysed by the Reserve Bank.

Case studies of 24 companies for the year 1953 show that 13 companies have assets ranging from Rs. 446 to Rs. 950 and the remaining 11 have assets ranging in value from Rs. 1,029 to Rs. 2,391. The average for all companies works out to Rs. 1,061 per acre. (Vide Annexure VIII-I).

Non-Indian companies-fixed assets per acre (Our figures)

19. For the 3 Non-Indian companies included in our analysis the average value of net fixed assets per acre works out to Rs. 531, Rs. 624 and Rs. 693 respectively in 1953.

Reserve Bank's figures

According to the Reserve Bank's figures net fixed assets per acre in 1953 for the four Non-Indian companies amount to Rs. 635, Rs. 801, Rs. 811 and Rs. 1,001 averaging Rs. 725 per acre. (See end of chapter and Annexure VIII-I for further details).

Value of fixed assets (Sterling companies-our figures).

20. The net fixed assets for 4 Sterling companies including one which has an area of about 20,000 acres amount to Rs. 537 in 1953. Case study of one Sterling company gives Rs. 462 per acre in 1953 as the value of net fixed assets.

On the basis of figures of the Reserve Bank, Rupee Indian companies have net fixed assets of an average of about Rs. 1,061 per acre and the Rupee Non-Indian controlled companies have net fixed assets of the value of about Rs. 725 per acre. On the basis of our own figures, net fixed assets of Sterling companies amount on an average to Rs. 537 per acre.

Valuation of different items of fixed assets.

21. The break-up of gross fixed assets per acre in rupees according to our figures and those of the Reserve Bank are shown in Table XVIII. These sets of figures show that land assets varied in value from Rs. 367 to Rs. 1,545 for different managements.

Land assets-estimation of

22. Case studies of land assets show that their value varied widely. (Vide Table XIX). While both in the Rupee Non-Indian and Sterling groups there are no companies having land assets over Rs. 1,000, in the Indian group of 23 companies, 9 companies show land assets over Rs. 1,000 (Reserve Bank's figures). Our figures Annexure VI-B show that in 1953, 7 out of 10 Indian companies have land assets of value below Rs. 550, the lowest being Rs. 214 and the remaining 3 have land assets valued at Rs. 775, Rs. 632 and Rs. 836 per acre. One Sterling company had land assets valued at Rs. 367 per acre. Land value per acre according to Reserve Bank's figures work out to Rs. 933 for 23 Rupee Indian companies, Rs. 529 for 4 Rupee Non-Indian companies. (Table XVIII).

Basis of land valuation unscientific.

23. It is not possible to say if these figures regarding valuation of fixed assets reflect the real relative position of the various companies because the basis of valuation among these companies may differ. The Tariff Board said in their report as follows in regard to their estimation of fixed capital employed in the industry :

> "The usual practice is to allow return at a percentage on the original value of total block employed in any industry. From a scrutiny of the accounts it is found that the basis of valuation of land for development etc., adopted by all the estates is not really scientific. It is therefore possible that any value fixed on the basis of such accounts may not represent the correct position. We therefore considered that the only other alternative would be to take to paid-up capital as the basis to arrive at a reasonable figure for this purpose "
> (Report of the Indian Tariff Board on Rubber 1951 Pages 35—40)

By this method the Tariff Board in its report of 1950 arrived at Rs. 1,200 per acre as representing fixed capital as against the demand of the industry varying from Rs. 1,500 to Rs. 3,000.

Extent of growth of fixed assets.

24. The figures in Annexure VI-A show the growth of fixed assets between 1939 and 1953. Sterling and Director-controlled Indian companies had a higher value for fixed assets per acre in 1939 and the increase between 1939 and 1953 was small. In Sterling companies there was a rise of 29% and in Director-controlled Rupee Indian companies a rise of 12%. Between 1939 and 1946 we find that in both cases fixed assets per acre declined in value; the rise in value was brought about only between 1946 and 1953. The two partly Non-Indian Rupee companies under Non-Indian Managing Agencies show a steady rise in both the periods, the rise for the whole period being 154%. Indian companies too show a rise between 1939 and 1946 but a slight fall between 1946 and 1953, the rise for the whole period being 128%. By 1953 all the companies reach a value ranging from Rs. 537 to Rs. 693 per acre.

According to the figures of the Reserve Bank, the percentage growth of fixed assets is as shown in Table XX. A study of these figures shows that there has been no growth in value of land assets in Indian companies while the Rupee Non-Indian companies show an increase of 16% in all, in their land value per acre between 1950 and 1953. Increase in the investment in buildings, plant and machinery is more in the Rupee Non-Indian as compared to the Rupee Indian companies. The overall picture shows a small increase in fixed assets in Indian companies, to the extent of only 4% between 1950 and 1953, while the Rupee Non-Indian companies show an increase of 28%.

Extent of Investment in fixed assets

25. The table XXI showing sources and uses of funds furnished by the Reserve Bank shows the investment in fixed assets by 27 companies between 1950-1953. Out of an increase in savings and reserves of Rs. 33 lakhs, 9 lakhs have gone into fixed assets. Of this sum of 9 lakhs a sum of Rs. 7 lakhs has gone into buildings, 2 lakhs for plant and machinery and nil for lands, whereas four Rupee Non-Indian companies between 1950 and 1953 increased their reserves by Rs. 12 lakhs and share capital by Rs. 7 lakhs out of which they invested Rs. 6 lakhs on lands, Rs.5 lakhs on buildings and Rs. 2 lakhs on machinery and others, i. e., in all Rs. 13 lakhs out of Rs. 19 lakhs. Case studies of growth of fixed assets per acre (Vide Annexure VI-C) over the period 1939-1953 show a decline in land assets for some Indian companies. Five out of ten Indian Rupee companies show a decline of land assets varying from Rs. 46 to Rs. 234 and 5 others show a rise during this period ranging from Rs. 60 to Rs. 622 per acre. Out of 3 Rupee Non-Indian companies, one shows, between 1939 and 1953 a decline in land assets from Rs. 724 to Rs. 325. One Sterling company shows between 1939 and 1953 a decline in land assets from Rs. 587 to Rs. 367.

Growth of fixed assets-Reviewed.

26. To conclude, during 1939-1953 Indian companies under Indian Managing Agencies show a large rise in fixed assets thus catching up with other companies in 1953. Director-controlled Indian companies show only a slight rise in this period. Between 1939-1953, 5 out of 10 Indian companies show a decline in land assets. According to the Reserve Bank's figures, between 1950-1953 there was no rise in land assets for Indian companies and net fixed assets in all showed only a 4% increase as against 28% for Rupee Non-Indian companies.

27. We will now study the adequacy of internal resources for maintaining and developing fixed assets. Paid-up capital was less than the value of net fixed assets according to our own figures and those of the Reserve Bank. The sum of share capital and reserves, i. e., net worth was not *on the average* less than fixed assets but on the other hand shows a surplus over fixed assets. (Though insignificant according to Reserve Bank figures). Figures of share capital and reserves for 10 Indian companies in relation to net fixed assets show that share capital and reserve exceed net fixed assets in seven companies while in three others the sum of share capital and reserves is less than net fixed assets. (Vide Table XXII).

Fixed assets and internal resources (net worth).

During the period 1950-53 (Reserve Bank figures) savings and reserves increased by Rs. 30 lakhs for 27 Indian companies while the investment in fixed assets was Rs. 9 lakhs. A study of share capital and reserves per acre and net fixed assets per acre for each year 1950-1953 for 24 Indian companies shows the increase in share capital and reserves over net fixed assets has not been adequate.

Case studies show (Annexure VIII-1) that in 1953 out of 24 Indian companies, 7 have more net fixed assets over net worth, the excess ranging between Rs. 16 and Rs. 310 per acre, 3 had more net worth over fixed assets the excess ranging upto Rs. 35, another 2 had an excess of Rs. 66, and Rs. 67, and 2 had Rs. 89 and Rs. 92. In other words 6 companies have increased fixed assets from funds other than their own resources and 6 companies had "long term funds"* below Rs. 91 per acre. We have analysed the number of companies having "long term funds" of less than Rs. 91 per acre so as to find out the number of companies having less than this figure which is the average for all companies. 14 out of 24 Indian companies had, therefore, little "long-term funds". The average "long term funds" for the year 1953 for 24 Indian companies amounts to Rs. 91 per acre (Table XXII-A).

28. We will now examine the relation of internal resources and fixed assets in Rupee Non-Indian companies. The Rupee Non-Indian controlled companies showed a better position in regard to adequacy of internal resources. According to our figures, the figures for 3 Rupee Non-Indian controlled companies are given in Table XXIII-A. These figures showed that while share capital was less than the amount of net fixed assets, the latter were covered by the sum of share capital and reserves and roughly a sum of about Rs. 160 per acre was available from the latter for meeting long-term needs.

Non-Indian companies

The Reserves Bank figures also showed for all Rupee Non-Indian companies a similar trend.

29. The relation of net worth to fixed assets in 4 Sterling companies in 1953 is given in Table XXIV. It shows that while the share capital per acre and fixed assets, per acre in Sterling companies were lower than those in the Indian companies, the Sterling companies had more "long term funds" per acre.

Sterling companies (our figures)

30. Thus we find that sterling and Rupee Non-Indian companies have greater "long term funds" as compared with the Indian companies. These funds will have to be further increased to meet the replanting needs of the industry.

*The term "long-term funds" is used in a very special and restricted sense to denote the excess of share capital and reserves over net fixed assets which represents the sum that could be made available for purposes of long term needs.

31. Case studies of 24 Indian companies show that in 7 companies net fixed assets exceeded net worth; in 3 companies net worth was in excess by an amount not above Rs. 35 per acre; in another 2, Rs. 66 and Rs. 67 per acre while in 2 other companies the excess was Rs. 89 and Rs. 92.

Floating assets-Total growth of floating assets 1939-1953. (our figures—all managements)

32. While floating assets show a rise from 27% to 46% of the total assets during the period 1939-1953, current liabilities show a rise only from 5% to 16% during the same period. Examining the components of the floating assets it is seen that cash and other items have increased by 314%, stocks and stores by 252% and receivables by 205% in 1953 over 1939. (Annexure IV-A and V-A).

Management-wise growth of floating assets (1939-1953)

33. Management-wise study of the growth of floating assets between 1939 and 1953 shows the following features:

(i) Except for the four Indian companies under Indian Managing agencies, the increase in floating assets for Sterling, partly Non-Indian and Director-controlled Indian companies ranged between 210 and 258%. The Indian companies under managing agencies show about double this increase viz., 536%.

(ii) Indian companies show a large increase under stocks and stores which was the consequence of unsold stocks in 1952.

(iii) Sterling companies show a slight increase under investments and others a decline.

(iv) Cash and other assets show an increase of the following order (a) Rupee Non-Indian companies 2,000 to 2,500%, (b) Indian companies 404%, (c) Sterling companies 292% and (d) Director-controlled Indian companies 148%.

Management-wise proportion of floating to total assets (our figures) for 1953.

34. (a) Analysing the proportion of floating to total assets for the year 1953, Indian companies show the lowest under stocks and stores and the Rupee Non-Indian, the highest.

(b) Sterling companies have the largest proportion of cash assets to total assets, 29.94%. This proportion is 16·07% for Indian companies and 14% for Rupee Non-Indian companies.

(c) Floating assets form 50.71% of total assets in Sterling companies, while in other companies they form about a third.

Reserve Bank's figures (1950-1953).

35. Percentage growth of floating assets in proportion to total assets in the 27 Indian controlled companies and 4 Rupee Non-Indian controlled companies between 1950 and 1953 (Reserve Bank figures) shows a different pattern. Stocks and stores show a greater percentage to total assets in Rupee Non-Indian concerns. (Table XXV).

Conclusion (Floating assets).

36. A fall under stocks and stores, and greater resources under receivables and government securities, and retained as cash are the features of growth of Indian companies between 1950 and 1953. A fall under investments and a rise under cash and other assets are the features of Rupee Non-Indian companies. But while in Indian companies the cash and other assets rose by 80% between 1950 and 1953, they rose by 62% in Rupee Non-Indian companies.

The period 1950-53 was one when monetary resources greatly increased because of the price increases granted by government during the period. At the same time their comparative non-investment in fixed assets by Indian com-

panies showed greater cash and other assets with them than with Rupee Non-Indian companies.

Share capital-Growth of share capital (our figures).

37. Paid-up capital of 17 companies (all managements) increased from Rs. 1.45 crores to Rs. 1.67 crores i. e. an increase of Rs. 22 lakhs only. A part of this increase was due to capitalisation of reserves. (Table XXVI-A). There has been no increase in share capital since 1946 in Sterling companies; 3 Rupees Non-Indian controlled companies showed, however, an increase of 25 to 50% in share capital between 1946-1953. The Indian companies showed an increase during 1939-1946 but a decrease during 1946-1953. (Vide Table XXVI-B).

According to Reserve Bank's figures between 1950-1953 the percentage of increase of share capital was nil in Indian controlled companies and 21 in the 4 Rupee Non-Indian controlled companies (Vide Annexure VIII-II)

As related to total assets.

38. The proportion of share capital expressed as a percentage of total assets in Indian companies (Reserve Bank figures) shows that it was decreasing. This is no indication however of financial unsoundness provided increase in debentures and reserves made up the financial requirements of the industry. Our own figures show that the percentage of share capital plus reserves to total capital employed has fallen by 6 to 15% between 1939 and 1953. (Vide Tables XXVII & XXVIII).

Conclusion-share capital

39. Thus a study of growth of share capital showed (i) there has been no increase in share capital between 1946—1953 in Sterling companies, (ii) Indian companies showed an increase in share capital in the first period 1939—1946, (iii) the percentage of share capital to total assets between 1939 and 1953 decreased more in Sterling that in Indian companies and (iv) the percentage of total share capital and reserves to total assets decreased under all types of management between 1939 and 1953.

Borrowings

40. Borrowings increased from 5% to 16% of total assets (Annexure IV.) Between 1939 and 1953 there was a slight fall in the percentage of borrowings to total assets in Rupee Non-Indian companies. Sterling companies showed a rise from 3 to 18% and Bank borrowings formed only 0.35% of total assets in 1953. In most groups bank borrowings have been nil.

The figures of the reserve Bank for 1950-53 for 27 Indian-controlled companies showed a reduction in borrowings and particularly in debentures due to repayments from increased profits.

The outstanding non-debenture borrowings in 1953 amounted to Rs. 26 per acre for 18,762 mature acres of these companies. Debenture borrowings amounted to Rs. 52 per acre.

Estimates of reserves per acre.

41. The figures of reserves per acre for Indian companies (Reserve Bank figures) are shown in Table XXIX. The average value for reserves in Indian companies was Rs. 282 and Rupee Non-Indian companies about Rs. 398 per acre, and for Sterling companies (our figures) Rs. 496 per acre. (Table XXX).

Growth of reserves per acre (Our figures).

The Table XXX shows the growth of reserves per acre between 1939 and 1953. If we divide the increase in reserves during these 14 years and find the average annual increase per acre, it would amount to Rs. 27, Rs. 25, Rs. 18 and Rs. 11 respectively for sterling companies, and Rupee Non-Indian, Indian companies under Managing Agents and Director-controlled Indian companies.

The growth of reserves shows a different result between 1950 and 1953 according to Reserve Bank's figures.

	Reserves per acre		
	1950	1953	% increase
1	2	3	4
24 Indian companies	182	282	55
4 Non-Indian campanies	265	398	50

The increase in Indian companies was Rs. 100 or Rs. 233 on the average for each year. While over a long-range period of 1939-1953, 10 Indian companies showed a poor annual allocation of Rs. 11 to Rs. 18 per acre, contributions to the reserve by 24 Indian companies worked to an average of Rs. 33 per acre annually between 1950 and 1953.

Percentage increase of reserves per acre between 1950 and 1953 is higher for Indian companies. Nevertheless the fact should be recognised that while reserves per acre in 1953 amounted to Rs. 398 per acre for Rupee Non-Indian companies and Rs. 496 for Sterling companies (our figures), the amount of reserves for Indian companies amounted to Rs. 282.

Relation of retained profit to Growth of Reserves.

42. A study of retained profits in relation to profits after tax will help to show the trends in the growth of reserves. Tables XXXI-A & B show the profits after tax and the amounts distributed as dividends and retained in the industry. It is seen from these Tables that in 1953 the profits retained in the industry form about 36% of profits after tax for all groups of companies. Management-wise, Sterling companies show a sudden fall in retained profits between 1952 and 1953 from 54.78% to 35.39% of net profits after tax while Indian companies maintained more or less a percentage of about 30% since 1951. Partly Non-Indian Rupee companies show a higher percentage of retained profits since 1946 ranging from 51 to 40%.

But a caution is necessary in this study that the proportion of retained profits out of net profit after tax may be less in later years because of the adequacy of reserves or of the increasing profits per acre. It is wrong to think that the same proportion should be retained during all the years and that a lesser retention meant an unjustified or excessive distribution of profits. The test should be whether the amount retained was adequate for the industry.

Table XXXII gives the gross profits per acre and the retained profits per acre of the different groups of companies. Another statement of profits of 12 companies which have rubber only as plantation (and whose profits therefore do not need any allocation for rubber out of mixed profits) is also given in Table XXXIII to indicate the extent of retained profits. In the absence of any significant additions to paid-up capital, retained profits have formed the main source of increase in internal resources in the industry. But these have not been adequate as shown in a later chapter of this report. We have already indicated the extent of availability of "long-term funds" from internal resources in an earlier section. Figures worked out from our data are shown in Table XXXIV. The "available long-term funds" for 24 Indian controlled companies and for 4 Rupee Non-Indian controlled companies from figures furnished by Reserve Bank are shown in Table XXXV.

"Long-term funds" may, therefore, be estimated to be of the order of

Rs. 309 for Sterling, Rs. 216 for Rupee Non-Indian companies, and Rs. 91 for Indian companies per acre.

As we shall see later even if all these funds were used to meet replanting costs, they would be inadequate, particularly for Indian companies.

TABLE XVII

Table showing net fixed assets per acre of 27 Indian companies for the years 1950-1953 as furnished by the Reserve Bank.

	1950	1951	1952	1953
Acreage	18,745	18,665	18,509	18,762
Net fixed assets per acre	966	991	1,017	1,002

For 1950—1953 (average) in rupees per acre—Gross fixed assets.

For 6 Indian companies having gross fixed assets ranging from Rs. 1600 upto Rs. 2400 per acre	Rs. 1,780.00
For 17 other Indian companies (for whom gross fixed assets range from 400 to 1400)	Rs. 887.68
For 23 Indian companies	Rs. 1,123.00
Net fixed assets after deducting depreciation of Rs. 63 per acre which is the average for four years.	Rs. 1,060.00

Source : Reserve Bank

TABLE XVIII

Table showing break-ups of gross fixed assets according to our figures and those of the Reserve Bank.

A* (Per acre in Rs.)

Type of ownership	No. of Cos.	Gross fixed assets				
		Land	Building	Plant & Machinery	Others	Total
Sterling	1	367.57	174.22	Nil	4.63	546.42
Non-Indian companies	3	393.65	160.78	59.92	23.54	637.89
Indian companies	10	494.96	125.41	30.78	15.76	666.91
		B**				
Indian companies (Having gross fixed assets of over Rs. 1400 per acre).	6	1545.70	165.60	58.30	10.80	1780.40
Indian companies (Having gross fixed assets of less than Rs. 1400 per acre)	17	711.20	113.70	34.80	28.00	887.70
Total Indian Cos.	23	933.00	127.00	39.00	24.00	1123.00
Non-Indian companies.	4	529.00	112.00	36.00	25.00	702.00

A*Relate to figures of our analysis 1953—1954.
B**Relate to figures furnished by the Reserve Bank. (four year average 1950—1953).

TABLE XIX

Table showing distribution of companies according to land assets per acre.

Type of Ownership	No. of Companies.	Land assets per acre				
		Below Rs. 500	Between Rs. 501 and 900	Between Rs. 901 and 1000	Between Rs. 1001 and 1200	Between Rs. 1201 and 2800
Indian companies	10*	6	3	1	...	...
Indian companies	23**	2	10	2	3	6
Non-Indian companies	3*	3	...	...	...	...
Non-Indian companies	2**	1	1	...	...	...
Sterling companies	1*	1	...	...	...	...

TABLE XX.

Table showing percentage of increase in fixed assets during the years 1950-1953 for 27 Indian controlled and 4 non-Indian controlled companies as furnished by the Reserve Bank.

	Fixed Assets					Depriciation	Net fixed assets
	Lands	Buildings	Plant & machinery	Others	Total		
27 Indian companies	Nil	39	33	Nil	6	40	4
4 Non-Indian companies	16	83	50	100	28	66	28

Source: Reserve Bank.

TABLE XXI

Table showing sources and uses of funds of 27 Indian controlled companies as furnished by the Reserve Bank.

(In lakhs of Rs.)

Sources of funds	Increase or decrease in 1953 over 1950	Uses of funds	Increase or decrease in 1953 over 1950
Borrowings	-3	Gross fixed assets.	9
Depreciation reserves	4	Inventory	-3
Taxation reserve	9	Lendings	6
Savings	17	Investments	2
Miscellaneous	6	Increase in monetary resources	19
Total	33	Total	33

Source:—Reserve Bank.

*Figures relate to our analysis.
**Figures relate to Reserve Bank's analysis.

TABLE XXII

Table showing excess or deficit of net fixed assets over the total paid-up capital and reserves (excluding P & L. a/c) for 10 Indian controlled companies in the year 1953.

1	Paid-up Capital 2	Reserves (excluding P.& L. a/c balance. 3	Total (2+3) 4	Net fixed assets 5	Difference (4-5) 6
1.	365.38	102.76	468.14	346.72	121.42
2.	607.48	555.13	1,162.61	935.63	226.98
3.	404.04	330.53	734.57	565.99	168.58
4.	384.25	211.07	595.32	601.29	-5.97
5.	258.52	86.43	344.95	346.96	-2.01
6.	228.17	520.93	749.10	701.54	47.56
7.	733.98	188.14	922.12	829.72	92.40
8.	498.75	154.61	653.36	543.63	109.73
9.	263.54	89.44	352.98	369·15	--16.17
10.	616.74	—	616.74	614.81	1.93
Average.	479.50	157.47	636.97	593.38	43.59

Source : Balance sheets analysed by us.

TABLE XXII-A

Table showing share capital, reserves and net fixed assets per acre for 24 Indian controlled companies as furnished by the Reserve Bank.

(Per acre in rupees)

	1950	1951	1952	1953
Share capital per acre	867	873	880	870
Reserves per acre	182	229	257	282
Total share capital and reserves	1,049	1,102	1,137	1,152
Net Fixed assets per acre.	1,063	1,091	1,119	1,061
Long term funds available per acre.	-14	11	18	91

Source : Reserve Bank.

TABLE XXIII-A

Table showing share capital, reserves and net fixed assets of 3 non-Indian controlled companies

(Figures in Rs. per acre)

1	Paid-up Capital 2	Reserves (excluding P.&L. a/c balance) 3	Total (2+3) 4	Net fixed assets 5	Difference (4-5) 6
1.	697.27	204.97	902.24	693.27	208.97
2.	369.17	313.36	682.53	531.56	150.97
3.	286.75	522.21	808.96	624.53	184.43
Average	380.60	338.28	718.88	558.32	160.56

Source : Balance Sheets analysed by us.

TABLE XXIII-B

Table showing share capital, reserves and net fixed assets of non-Indian controlled companies as furnished by the Reserve Bank.

(Per acre in Rs.)

		1950	1951	1952	1953
1.	Share capital	471	444	534	543
2.	Reserves	265	358	333	398
3.	Total share capital and reserves	736	802	867	941
4.	Net fixed assets	600	605	652	725
5.	Difference (3-4) (Long-term funds)	136	197	215	216

Source : Reserve Bank.

TABLE XXIII-C

Table showing share capital reserves, total net fixed assets and long term funds in 1953 for 4 Non-Indian controlled companies as furnished by the Reserve Bank.

(Per acre in Rs.)

	Share capital	Reserves (excluding balance of profits) 3	Total (2+3)	Net fixed assets	Difference (4-5)
1.	437	394	831	635	196
2.	778	209	987	801	186
3.	368	683	1,051	811	240
4.	864	508	1,372	1,001	371
Average	543	398	941	725	216

Source : Reserve Bank.

TABLE XXIV

Table showing share capital, reserves and net fixed assets of 4 Sterling companies.

(Figures in Rs. per acre)

Serial No. of company 1	Share capital	Reserves (excluding P. & L. a/c balance) 3	Total (2+3)	Net fixed assets 5	Difference (4 - 5)
1.	252.42	384.19	636.61	431.49	205.12
2.	391.50	506.26	897.76	522.63	375.13
3.	624.51	541.21	1,165.72	1,056.26	109.45
4.	445.83	100.91	546.74	461.90	84.84
Average	409.87	435.80	845.67	536.82	308.85

Source: Balance sheet analysed by us.

TABLE XXV

Table showing growth of floating assets during the years 1950-1953 in 27 Indian controlled companies as furnished by the Reserve Bank.

(In percentage to total assets)

Type of management	Stocks and Stores		Receivables		Investments		Cash and other assets		Total	
	1950	1953	1950	1953	1950	1953	1950	1953	1950	1953
Indian Companies	10	8	3	4.4	3.5	4.0	9.3	16	26	32
Non-Indian Companies	14	14	3	3.5	4.6	3.5	10.7	15	32	36

Source: Reserve Bank.

TABLE XXVI-A

Table showing increase in the paid-up capital and the issue of bonus shares in respect of 17 rubber companies between 1939 and 1953.

(In thousands of Rs.)

Type of Ownership/Management	Paid-up capital		Increase in 1953 from 1939	Value of bonus shares issued
	1939	1953		
Sterling Companies	1,05,66	1,06,49	83	...
Rupee Companies:				
Non-Indian	2,80	3,50	70	70
Partly Non-Indian	11,14	22,12	10,98	...
Indian	5,57	10,83	5,26	...
Director Controlled Public Ltd.-Indian	19,89	23,87	3,98	...
Total	1,45,06	1,66,81	21,75	70

Source: Balance sheets analysed by us.

TABLE XXVI-B

Table showing increase in paid-up capital 1939-1953.

(in percentages)

Type of management/ ownership.	No. of Cos.	Increase in share capital.		
		1939-1946	1946-1953	1939-1953
1	2	3	4	5
Sterling companies:	4	0.79	...	0.79
Rupee Companies:				
Non-Indian	1	...	25.00	25.00
Partly Non-Indian	2	34.20	47.96	98.56
Indian.	4	107.72	-6.39	94.43
Director controlled Public Ltd-Indian	6	20.01	Nil	20.01
Total	17	10.08	4.47	14.99

Source:—Balance Sheets analysed by us.

TABLE XXVII

Table showing percentage of share capital and reserves to total assets as furnished by the Reserve Bank.

	Percentage to total assets.	
	1950	1953
27 Indian controlled companies.		
Share capital.	63.0	56.0
Reserves.	15.1	23.7
Total.	78.1	79.7
4 Non-Indian companies.		
Share capital.	52.0	48.0
Reserves.	24.6	34.0
Total.	76.6	82.0

Source:—Reserve Bank.

TABLE XXVIII

Table showing proportion of share capital and reserves to total assets.

(Percentages to total assets.)

1	No. of Cos. 2	1939 3	1946 4	1953 5
Sterling	4			
Paid-up capital.		76.76	63.58	37.63
Reserves.		19.84	18.53	43.86
Total.	4	96.60	82.11	81.49
Indian controlled	4			
Paid-up capital.		73.68	62.04	48.62
Reserves.		16.40	24.82	36.08
Total.	4	90.08	86.86	84.70
Public Ltd-Indian.	6			
Paid-up capital.		85.77	71.34	58.07
Reserves.		11.13	20.06	26.22
Total.	6	96.90	91.40	84.29

Source:—Balance sheets analysed by us.

TABLE XXIX

Table showing reserves per acre for 24 Indian controlled and 4 Non-Indian controlled companies

(In Rs.)

Type of management 1	No. of cos. 2	1950 3	1951 4	1952 5	1953 6
Indian controlled companies.	24	182	229	257	282
Non-Indian controlled companies.	4	265	358	333	398

Source:—Reserve Bank.

TABLE XXX

Table showing growth in reserves per acre from 1939-1953.

(Amounts in Rs.)

Type of ownership/ management 1	No. of Cos. 2	1939 3	1946 4	1953 5	Increase in 1953 over 1939 6
Sterling companies: (Controlled by Secretaries/ Agents etc.)	4	116	125	496	380
Rupee companies:					
Non-Indian controlled.	2	98	334	453	355
Indian controlled	4	50	182	300	250
Director controlled-Indian.	6	72	140	229	157

Source:—Balance sheets analysed by us.

TABLE XXXI-A

Table showing net profit after tax, retained profits and distributed profits per acre.

(In Rs.)

Type of ownership/ management	1950			1951			1952			1953		
	Net profit after tax	Retained profits	Distributed profits	Net profit after tax.	Retained profits	Distributed profits	Net profit after tax.	Retained profits	Distributed profits	Net profits after tax-	Retained profits	Distributed profits
1	2	3	4	5	6	7	8	9	10	11	12	13
Sterling companies:	71.69	51.24	20.45	72.59	42.03	30.56	47.22	25.94	16.28	42.14	14.96	27.18
Rupee companies:												
Under Non-Indian Managing Agents.	77.34	29.30	48.04	129.81	55.97	73.84	151.23	64.57	86.66	147.17	59.24	87.93
Under Indian managing Agents.	46.94	13.74	33.20	69.45	28.76	40.69	70.72	21.01	49.71	76.55	23.87	52.68
Director controlled Ltd. companies.	43.37	3.02	40.35	107.82	32.63	75.19	93.34	26.77	66.57	107.97	31.08	76.89
Average for Indian.	45.20	8.52	36.78	88.11	30.64	57.47	81.58	23.78	57.80	91.30	27.26	64.04
All Groups.	65.69	30.59	35.10	97.62	43.56	54.06	95.18	39.30	55.88	95.09	34.78	60.31

Source : Balance sheets analysed by us.

TABLE XXXI-B

Table showing percentage of retained profit to net profit after taxation.

(In percentages.)

Type of Ownership/Management	1939	1946	1950	1951	1952	1953
1	2	3	4	5	6	7
Sterling companies	98.82	72.08	71.57	57.76	54.78	35.39
Rupee Companies						
Non-Indian Managing Agents control.						
Partly Non-Indian	100.00	51.32	37.99	43.06	42.75	40.24
Indian Managing Agents control.						
Indian	69.61	15.09	29.51	41.44	29.57	31.22
Director controlled Ltd. companies.						
Public Ltd.-Indian	17.27	52.24	6.54	30.45	28.63	28.91
All Groups	84.64	53.84	46.64	44.59	41.27	36.58

Source:—Balance sheets analysed by us.

TABLE XXXII

Table showing gross profits per acre and the retained profits per acre of the different group of companies.

(In Rs.)

Type of ownership/ management	No. of Cos.	1939		1946		1953	
		Gross profit	Retained profits	Gross profit	Retained profits	Gross profit	Retained profits
1	2	3	4	5	6	7	8
Sterling companies	4	62	35	96	22	208	31
Non-Indian companies	3	38	31	109	53	165	57
Indian companies	4	46	29	43	3	112	23
Director-controlled Indian companies.	6	56	9	90	9	216	37

Source:—Balance sheets analysed by us.

TABLE XXXIII

Table showing gross profits and retained profits per acre of the different types of companies (companies having rubber only)

[In Rs.]

Type of ownership/ management	No. of Cos.	1939		1946		1953	
		Gross profit	Retained profits	Gross profit	Retained profits	Gross profit	Retained profits
1	2	3	4	5	6	7	8
Sterling companies.	2	112	107	86	32	133	15
Non-Indian companies	2	39	33	106	49	167	59
Indian companies	4	46	29	43	3	112	23
Director controlled Indian companies.	4	54	9	80	14	195	31

Source:—Balance sheets analysed by us.

TABLE XXXIV

Table showing long term funds per acre available in 1953 with 17 companies analysed by us.

Type of ownership	No. of companies	Long term funds per acre.
1	2	3
Sterling	4	308.8
Non-Indian controlled	3	160.6
Indian controlled	10	43.6

TABLE XXXV

Table showing long-term funds per acre for 24 Indian controlled companies and 4 Non-Indian controlled companies from figures furnished by the Reserve Bank.

(In Rs.)

Type of ownership	No. of Cos.	1950	1951	1952	1953
1	2	3	4	5	6
Indian controlled companies.	24	−14	11	18	91
Non-Indian controlled companies.	4	136	197	215	216

CHAPTER V

Cost of production of Rubber

Introductory.

We shall in this chapter attempt to give an estimate of the cost of production of rubber in the four years 1950—1953 and assess the changes that have taken place in costs in 1953 as compared to 1950.

Importance of cost of production.

2. A study of costs is important on two grounds. The price for rubber is notified by the Central Government from time to time on the basis of estimated costs of production plus a reasonable return to the grower. This study should help in making such estimates. Secondly, since natural rubber has now to face the threat of competition from the synthetic product, its survival depends on its low costs of production. From this point of view too, a study of costs becomes important.

Earlier inquiries on cost of production.

3. In the recent past there have been a number of investigations on the cost of production of rubber. The exigencies of war required the conservation of all available rubber in the country and the maximisation of output. The Government found it necessary to issue an order under the Defence of India Rules compelling all rubber growers to deliver their rubber to Government purchase depots at a certain specified price. The prices were revised from time to time to accord with the increase in costs. Inquiries into costs were

made in 1944, 1946 and in 1948 by Government Cost Accountants. Though direct purchase of rubber by government was stopped in 1945, the control on prices remained. Government fixed the maximum and minimum prices at which rubber could be purchased or sold. When the Industry began pressing for increase in the minimum prices to meet the rising production costs, the Tariff Commission were requested to make a detailed investigation into the conditions of the Industry. They conducted two enquiries, one in 1950 and another in 1952 for determining the prices of raw rubber and for recommending measures for protection and assistance to the rubber plantation industry.

Coverage of our analysis.

4. Along with our questionnaire we issued a proforma with explanatory notes for furnishing data for the cost of production of rubber. This proforma was issued to all rubber estates with an area of over 100 acres. The cost of production was divided into the following major heads (i) cultivation charges, (ii) charges for collecting rubber, (iii) charges for processing rubber, (iv) general charges, and (v) packing and selling expenses. The estates were requested to furnish data for each of the above heads. The total number of proforma sent out was 254. Out of this only 36 proforma were returned to us duly completed. Though the percentage of response in numbers comes to only 14%, the acreage covered was substantial, being 41,295 acres, representing about 40%, of the area of estates of over 100 acres and about 45% of production. Management-wise the coverage is 99% of the Sterling companies, 40% of the Rupee Non-Indian controlled companies and 25% of the Indian controlled companies and 12% of the Proprietary and partnership concerns of over 100 acres as shown in Table XXXVI.

TABLE XXXVI

Table showing coverage of estates analysed for cost of production.

Type of Ownership/ Management.	Area (acres)	Production (lbs.)	Yield per acre (lbs.)	% to the total area under the group.
1	2	3	4	5
Sterling companies:	25,439	8,740,203	343.5	99.8
Rupee Companies:				
Under Non-Indian Managing Agents Control.				
Non-Indian.	502	240,177	478.4	40.0
Partly Non-Indian.	4,491	1,317,982	293.5	
Under Indian Managing Agents Control.				
Indian.	7,164	2,143,830	299.4	25.0
Outside Managing Agents Control.				
Public Ltd-Indian.	353	78,823	223.3	
Private Ltd-Indian.	252	75,693	300.4	
Proprietary and Partnership concerns.				
Indian.	2,760	654,142	237.0	12.0
Non-Indian.	334	64,100	191.9	
All India.	41,295	13,314,950	322.4	39.3

The responsibility of sending these proforma correctly filled in rested with the estates concerned. The returns were analysed by our office by reducing the costs under each sub-head to the cost per 100 lbs. and wherever obvious discrepancies were suspected, references were made to the respective estates and corrections, if any, found necessary were incorporated before the figures were consolidated. Further, with a view to satisfy ourselves regarding the accuracy of the returns furnished and to have an enquiry under the direct supervision of the Government Cost Accountants, a random sample of 17 estates was made and the Government Cost Accountants were requested to visit these estates and analyse the data. The results of their investigation are given in Appendix II to this report.

Small holders.

5. For arriving at the cost of production of small holders a different procedure had to be adopted; the Rubber Board's field staff were requested to collect information for a selected number of small holdings of (i) below 25 acres, (ii) 25 to 50 acres, and (iii) 50 to 100 acres. A simple proforma was issued to collect this information. These returns represent only 0. 4% of the area under small holdings and about the same percentage of production. The coverage in their case is thus very much less. The results of this inquiry are described in a later paragraph.

Cost of production of rubber in 1950-53.

6. The term 'cost of production' used in this chapter includes all expenses on cultivation, charges for tapping collecting and processing rubber, general charges relating to office expenses at the estates and at the head office, expenses on medical aid and labour welfare, packing and selling expenses including freight and other transport charges. It, however, excludes the amounts spent on commission to managing agents (unless otherwise stated), interest charges, taxation or cess. On the basis of figures in proforma 'C' analysed by us the cost of production of rubber is as follows:—

TABLE XXXVII.

Table showing cost of production of rubber of reporting estates of 100 acres and above for the years 1950 to 1953.

(Figures in cols. 2 to 5 in Rs. per 100 lbs.)

Items.	1950	1951	1952	1953
1	2	3	4	5
Cost of production (exclusive of commission to managing agents)	49.65	57.43	59.33	77.13
Cost of production (inclusive of commission to managing agents).	51.57	59.67	61.81	79.13

We have mentioned earlier that figures of cost of production were supplied to us by the estates concerned. Though we issued necessary detailed instructions, possibilities of some overlapping of figures of expenditure and lack of accuracy in the allocation under various sub-heads do exist. This is a limitation of our analysis inherent in the method of our enquiry. But the figures given by the Cost Accountant show that, by and large ; the figures reported by the estates were not far wide off the mark. The Table below shows the figures arrived at by the Cost Accountant as the weighted average of the cost of production of rubber in the several estates visited by him.

TABLE XXXVIII

Table showing cost of production of rubber for companies individuals and the all-in average for the years 1950—53.

(In Rs. per 100 lbs.)

Particulars	1950	1951	1952	1953
1	2	3	4	5
Companies.	55.55	63.70	65.18	68.92
Private Individuals.	51.71	61.68	64.53	61.72
Average.	55.18	63.49	65.09	66.27
Commission to Managers, Managing Agents etc.	1.11	1.60	1.38	1.54

The figures arrived at by the Cost Accountant are higher than our figures for the years 1950, 1951 and 1952 by 11.1%, 10.5%, and 9.79% respectively. For the year 1953, our figures are higher than that arrived at by the Cost Accountant by 16.4%. The difference in cost may perhaps be due to the fact that our figures are arrived at on the data furnished by estates, whereas the Cost Accountant has taken the data from the books of the companies and certain costs have been disallowed or added back by him. Further, our coverage of Sterling companies is larger and, as would be observed later, the largest increase in cost in 1953 over 1952 have occurred in this group of companies.

We have analysed the figures of cost of production on the following lines :—

(1) Region-wise — for main sub-head and individual items.

(2) Management—wise — for main sub-head and individual items.

(3) The changes in costs between 1950 and 1953.

(4) The proportion of different heads of cost of total costs.

The detailed analysis on these lines are shown in various Tables included in Annexures IX to XI. In examining these figures we may confine ourselves to the main regions of Travancore-Cochin and Madras and the four main types of management covered in our analysis namely Sterling companies Non-Indian Controlled Rupee Companies (Partly Indian), Indian companies and Proprietary Indian concerns.

Region-wise analysis of costs.

7. As most of the rubber is produced in only one state, little importance can be attached to regional comparisons. However certain features of costs in each region may be noted without making any comparisons between Madras and Travancore.

The main increase in costs happened in 1952 in Madras over those of 1950, while in Travancore it happened in 1953 as over 1952. The increase in both regions was due to increased labour costs in consequence of the minimum wage notification. The increase was almost similar, about Rs. 20 per 100 lbs.

As between 1950 and 53 there is a high increase under tapping charges from Rs. 4.59 per 100 lbs. in 1950 to Rs. 10.29 in 1953 in Travancore-Cochin. The increase is 124%.

The region-wise analysis of costs brings out the following facts:—

(1) Madras is a high cost region.

2. The increase in costs between 1950 and 1953 is to be attributed largely to the increase of labour costs, bonus, commission and salaries to staff.

Management wise analysis of costs.

8. The management-wise analysis of costs for the four major groups mentioned earlier bring out the following features:—

Sterling companies showed in 1953 an increase of 117% over the cost of 1950 in respect of general field works, while the companies under Indian Managing Agencies showed a fall. Not only did the costs under general field works increase between 1950 and 1953 but they were higher in 1953 than these of Indian companies by Re. 1 to Rs. 2 per 100 lbs., due perhaps to higher standards of payments for labour or higher costs of maintenance. Under manuring, Sterling companies showed an increase of 131% while the Indian Proprietary concerns showed an increase of 22% over 1951. The Rupee companies showed a fall. Figures for 1953 showed that Sterling Companies incurred two to three times more costs on manuring than other concerns. This not only showed the special attention bestowed by these companies on manuring but also the greater manuring required for maintaining the yield of aged trees. Between 1950 and 1953 the Indian Proprietary concerns showed an increase of 80% and Sterling companies an increase of 70% under spraying and dusting. A comparison of costs in 1953 under this head showed that Sterling companies incurred the maximum costs (Rs. 8.31 per 100 lbs.), while Rupee companies incurred 25% less (Rs. 6.13), and Proprietary Indian concerns, the lowest, Rs. 3.62; this increased expenditure on the part of Sterling companies indicates improved cultural practices.

In regard to "other pest control measures" Sterling and Partly Non-Indian Rupee companies showed a definite increase between 1950 and 1953. These concerns also incurred in 1953 more on this head than Indian companies and Proprietary concerns. On the whole costs of cultivation did not increase substantially between 1950 and 1953 for Rupee companies, Indian and Partly Non-Indian. They increased for the Indian Proprietary concerns from Rs. 7.32 to Rs. 10.29 while for the Sterling companies they practically doubled from Rs. 7.92 to Rs. 15.19. A look at the total cultivation costs for 1953 for all managements except the Sterling showed that they varied little while they were 50% more for Sterling companies.

As regards tapping and collecting charges, they increased more than double for Sterling companies as between 1950 and 1953. But these charges varied little in 1953 among all the groups other than the Indian Proprietary concerns. The low yield of the latter possibly explained the higher charges incurred by them under this head.

Total charges for manufacturing rubber showed little variations for all other groups between 1950-53 except the Sterling companies whose costs doubled during this period. In 1953 the cost under this head was Rs. 10.20 for Sterling companies while it was only less than half of this for Non-Indian Rupee companies. The variations under this head among other concerns were not much.

Factory labour wages, bonus to staff and bonus to labour were far higher in Sterling companies than in others in 1953. The increases too were higher in Sterling companies than in others between 1950 and 1953.

As regards general charges they rose from Rs. 19.16 in 1950 to Rs. 29.45 in 1953 in Sterling companies and from Rs. 25.12 to Rs. 31.78 in Partly Non-Indian companies. Others did not show any increase. One noteworthy feature of general charges is that it was almost uniform at about Rs. 30 in 1953 for Rupee Indian and Partly Non-Indian companies and Sterling

companies. The Proprietary concerns incurred an expense of Rs. 13.87, about 50% less than others under this head.

As regards selling expenses, they were the highest for Sterling companies in 1953. Between the years 1950 and 1953 they varied little for other concerns while they increased by 75% for Sterling companies.

The incidence of commission to managing agents on the cost per 100 lbs. ranges between Rs. 4 and Rs. 5 in the case of companies under managing agencies. On the whole, there is little variation in production costs between the Rupee Indian and Partly Non-Indian companies. The costs were higher for Sterling companies by about Rs. 8 per 100 lbs., due to higher cultivation charges by about Rs. 5 and higher processing charges of Rs. 3. And this was so despite their higher yields. The Proprietary concerns had less yield, (236 lbs.) per acre as against 343 lbs. in the case of Sterling companies and 300 lbs. in the case of Rupee companies and consequently incurred more on tapping and collecting latex than all others. They spent less on processing. The smallness of their general charges also helped to reduce their costs.

These concerns spent in all about Rs. 10 less than Rupee concerns due to their savings of Rs. 16 under general charges which was offset by a sum of about Rs. 6 they incurred under tapping and collection charges.

An increase in costs may be partly due to high maintenance charges of low-yielding trees, greater expenditure on improved cultural practices and processing and a higher standard of expenditure on labour and staff and general management. A study of costs of Rupee Indian and Partly Non-Indian companies showed that they varied little under almost all the heads of expenditure.

Proportion of heads of costs to total cost.

9. The Table below indicates the relative importance of the major items of costs of production in 1953.

TABLE XXXIX

Table showing the proportion of heads of costs to total cost.

Region	Cultivation	Gathering	Manufacturing	General Charges	Packing	Selling expenses	Total
1	2	3	4	5	6	7	8
Madras	18.14	28.40	10.97	37.15	1.57	3.77	100
T. C. State	17.14	29.46	12.28	35.38	1.82	3.92	100

We find from the above Table that the proportion of the major heads of the costs to total costs is more or less the same in Madras and in T. C. State and this proportion has been maintained in all the four years.

Cost of production of small holders.

10. We have already pointed out that the small holders occupy an important place in the rubber industry. The total number of small holdings upto 50 acres is 26,787 (i.e., 99% of all rubber estates and holdings) covering 89,670 acres (i. e., 43% of total area under rubber); holdings between 50 and 100 acres number 209 covering 16,757 acres of rubber. We tried to collect figures for cost of producion of small holders for the year 1955 with the help of the field staff of the Rubber Board. A simple proforma (Vide Appendix VIII Part I-Tea) was drawn up for the purpose. The figures were collected by the field staff of the Rubber Board by oral inquiries. The total number of returns for small holders upto 25 acres received by us is 21 covering 168.31 acres of rubber. For small holders between 25 and 100 acres 5 returns covering 229 acres were

received. The total coverage is of course very limited. Details regarding costs of production in all these 26 holdings are given in Annexure XII. Table XL gives average yields and costs of production under several groups of small holdings:

TABLE XL

Table showing average yields and costs of production under several groups of small holdings.

Size of small holdings	Number analysed	Acreage analysed	Average yield per bearing acre in lbs	Average cost of production in Rs. per 100 lbs.
1	2	3	4	5
Upto 5 acres	10	22.11	272.60	69.30
5— 15 acres	6	53.19	221.22	75.24
15— 25 acres	5	93.01	315.53	44.65
All groups upto 25 acres	21	168.31	275.53	57.00
25—50 acres.	2	67.00	201.92	120.14
50—100 acres.	3	162.00	170.31	108.23
All groups upto 100 acres	26	397.31	223.09	82.68

Table XLI shows the number of holdings under various cost groups.

TABLE XLI

Table showing the number of holdings under various cost groups.

	Average cost		
	below Rs. 50	Rs. 50-100.	Over Rs. 100
1	2	3	4
Number of Holdings	7.00	10.00	4.00
Acreage covered	53.32	99.36	15.64

We give below the comparative costs of production of rubber in small holdings and in Rupee companies/Concerns.

(In Rs. per 100 lbs.)

Item.	Cost of production in small holdings in 1955.			Cost of production in Estates (excluding Sterling companies) in 1953.	
	Small holding under 25 acres.	Holdings between 25 & 49 acres.	Holdings between 50 & 100 acres.	Rupee companies.	Proprietary concerns.
1	2	3	4	5	6
General field works.	5.39	5.71	12.45	2.24 to 3.23	5.84
Filling in vacancies.	3.72	2.05	3.06	0.03	0.03
Manuring.	1.09	8.33	...	0.02 to 0.58	0.72
Spraying & dusting.	...	0.24	...	6.13	3.62
Other Pest Control measures.	0.65	1.67	1.22	0.69 to 0.13	0.08
Tapping.	38.08	54.86	61.59	22.51	28.44
Processing.	4.15	4.57	9.63	4.93 to 6.77	6.01
Transport etc.	1.69	19.09	2.86	2.51	2.14
General charges.	2.23	23.62	17.42	29.77	13.87
Total.	57.00	120.14	108.23	73.00	61.00

The Table given above indicates that the small holder incurs between 46 and 66% of the total costs on tapping (even where money wages for labour put under this head by the small holder and his family are not added) while the estates incur between 30% and 46% on tapping. The small holders incur very little on manuring, pest control and spraying and dusting while their costs under 'general charges' are much less than those for estates.

The price of raw rubber.

11. The price of raw rubber notified by Government is based on the 'cost of production plus' basis. The question of fixation of price of raw rubber is discussed in the Chapter on 'Marketing.'

CHAPTER VI

Transport and supplies

Introductory.

Rubber grows in a region of heavy rainfall in upland tracts. In such tracts it is difficult to maintain road except at heavy cost. Ghat roads are difficult to negotiate. The Rubber Board will have to examine the needs of communication in Rubber growing regions and bring them to the notice of concerned authorities, namely Local Boards, and the State Government.

Need for an organisation for Supplies.

2. The following extracts of evidence indicate that rubber estates would welcome an organisation to make supplies at fair rates.

(i) "The stores and materials generally needed for estates may be supplied at fair prices either through the Indian Rubber Board or other recognised planting Associations like A. P. T. or U. P. A. S. I."

(ii) "Arrangements may be made by the Government to get the required tools and other articles and distributed to planters at subsidised or reasonable rates either through the Indian Rubber Board, Agriculture Department or authorised dealers in different places."

(iii) "Stores are purchased from open market. When there is difficulty, the Rubber Board may procure necessary supplies and allot to estates their requirements. Or Association of Planters of Travancore may handle it as they handled the rice distribution".

The Rubber Board represented about the difficulties in obtaining adequate quantities of copper fungicides under present import conditions and local restrictions on movement of sulphur dust.

The U. P. A. S. I. said :—

"Difficulties are experienced in importing fungicides and insecticides, spraying and dusting equipment and spare parts required by estates. It is suggested that no import restrictions on these materials should be imposed. In addition non-availability of iron and steel materials required for construction on some occasions and even when available, the delays caused in securing them have created great inconveniences to estates".

Recommendations.

3. The Ministry of Commerce and Consumer Industries should examine these representations about relaxation of import controls. As regards the future organisation for supplies at no profit-no loss basis, we recommend that our proposals made for Coffee should also apply to Rubber. Also, the monopoly distribution of fertilisers supplied by the Government of India. Pool should vest in this new organisation. The proposals are quoted below :—

"We feel that a co-operative supply organisation under the auspices of the Coffee Board will be a more responsible agency for distributing chemical fertilisers and mixtures than private firms. We therefore recommend the establishment of a co-operative organisation for this purpose. This organisation should have the sole right of sale of chemical fertilisers and mixtures".

"We hope that when a central co-operative organisation is established it will be possible for estates to get the supplies required by them at reasonable rates. In Chapter IV we have recommended that the sale of fertilisers to coffee growers should be a monopoly of this co-operative organisation. The central co-operative supply organisation should channel its supplies to small growers through central co-operative curing societies and directly to big companies and partnerships as under existing rules they cannot join central co-operatives curing societies. If rules do not permit membership in the central co-operative supply organisation of companies and partnerships, the alternative organisation would be a central supply corporation directly making supplies to companies and partnership concerns and through central co-operative curing societies, to small growers".

CHAPTER VII.

Marketing of Rubber

Marketing of rubber in India was fairly free till 1942 except for the obligations under the International Rubber Regulation scheme which India had joined in 1934. Under this scheme quotas for exports had been fixed for all rubber growers on the basis of their standard production. The year 1942 was a turning point for the industry. That year witnessed the reversal of the policy of restriction of production and the launching of measures for intensification of output. A Rubber Production Board for increasing production of rubber was set up by the issue of the Rubber Control and Production Order (1942) under the Defence of India Rules and rubber was brought under price control. This marks the beginning of governmental price regulation for rubber and the launching of measures for increasing production. With the scheme for price regulation a Government purchasing organisation was also simultaneously set up. The Government purchasing organisation was then necessary as all the available rubber had to be procured and reserved for the sole use of industrial units for manufacture of tyre and other essential goods for defence requirements.

Rubber control started as a war measure.

2. After the cessation of hostilities, there was a relaxation in the control of the rubber economy and the purchasing organisation was wound up; but the Board that had been set up for intensification of rubber production had to be continued, because during the war years the economy of rubber in India had undergone a change. The tyre manufacturing industries, which were set up before the war in this country, had their capacities augmented during the war. They had also taken to the manufacture of many new products out of rubber. Also new units for the manufacture of a variety of rubber goods had sprung up during the war. Consumption of raw rubber by all the industries steadily increased and outstripped its production in India. Price regulation had to be continued as an essential inducement to the production drive, in order that producers may have a well founded hope of getting an assured price.

—its continuation after War.

The Defence of India Act and the Rules issued under it lapsed shortly after the cessation of hostilities. Government had to pass a special Act for the continued application of the regulatory measures on rubber. The Rubber Production and Regulation Act was passed and brought into force in 1947. This Act was amended in 1954 into what is now the Rubber Act. In the present Rubber Act the provisions regarding marketing and prices are contained in sections 11, 13, 14, 15, 16 and 21.

3. Section 11 of the Act vests Government with powers for prohibiting, restricting, or otherwise controlling the import or export of rubber either generally or in specified classes of cases. Section 13 of the Act which deals with price fixation empowers the Central Government to notify prices. Minimum and maximum prices are fixed and notified so that growers may know what minimum prices they are entitled to and the rubber users may know what prices have to be paid by them. At present the prices for the various grades of rubber notified by Government are for F.O.B. Cochin per 100 lbs. Thus it is only when producers or dealers effect sales for delivery F. O. B. Cochin, that they can claim to get the notified minimum or very nearly the minimum prices.

Prices

4. Rubber passes from the producer to the ultimate consumer (manufacturer) through different channels. Some of the managing agency firms are able to sell their rubber direct to the manufacturers (Dunlops, Batas etc.). They deliver their rubber at the godowns of the latter at Cochin or send them direct to their factories at Calcutta or other centres. Before they despatch their rubber they sort, grade and pack them in standard bundles, each bundle containing only one grade of rubber. In cases where rubber is delivered at the godowns of Dunlops or other firms at Cochin the purchasing staff of the latter in most cases open each bundle and do their own grading and then repack the graded rubber in a manner required for shipping. The price of rubber is calculated according to their grading and not according to the grading done by the suppliers and paid at the notified rates, deducting about Rs. 1/6/- or so for 100 lbs., towards the cost of grading, repacking and transport to ships from the godown. This deduction is shown separately in purchase bills. Some of the less important producers and dealers also send their rubber to Cochin for sale direct to Dunlops and other manufacturers. The rubber so sent is also dealt with in the same manner as the rubber received from Agency firms, irrespective of the fact whether the sellers have graded their rubber or not. A few buyers accept sellers' gradings without unpacking the bales and in such cases they deduct Rs. -/8/- per bundle towards loading charges and nothing more.

—modes of sales of rubber.

5. Growers who do not sell their rubber to the consumers direct, sell their produce to dealers. There are up-country dealers and also town dealers. Besides them, there are also petty village merchants who trade in rubber. All their purchases and sales are in lots. Generally, when the market is dull with large accumulation of stocks in the hands of producers, the dealers in important towns would prefer to make purchases only after grading. When the market is active and bullish they readily make purchases in lots. Up-country dealers who run purchasing depots, send their agents round for collecting rubber from large estates on payment of ready cash, fixing the prices of lots after examining a few sheets at random. The small holders' rubber, however, is generally purchased at the depots. Also, petty merchants, who are generally unlicensed go round and make purchases from small holders at very low prices. These merchants advance loans, even free of interest, to small holders on the understanding that all their rubber should be sold to them. The small rubber producers' output also is generally of inferior quality. For these reasons they are constrained to accept whatever prices the itinerant dealers are inclined to give. The bait of ready cash and the trouble involved in arranging sales to the consumers direct or to town dealers make some of the estates prefer to sell all their produce to the up country dealers foregoing a part of the legitimate price due to them. It is understood that many of those upcountry dealers who go round and collect rubber do not bring their purchases into their accounts and that the petty dealers who do not hold license for making purchases go about their business not in an overt way. They operate with impunity, without taking any license. In the case of purchases from estates, what the upcountry dealer generally does is to get a letter from the owner of the estate addressed to his (dealer's) prospective purchaser saying that he is sending a particular quantity of rubber, that it may be accepted and that the price may be paid to the bearer. The town dealer is only too glad to accommodate the customer who gets such a letter. He issues purchase bill in the name of the estate and pays the value of the rubber either in cash or by cheque to the so-called bearer. The dealers at Kottayam and other important towns grade the rubber purchased by them before selling to the manufacturers. When the sales and purchases of rubber take place in this manner through the intermediary of

role of dealers.

dealers, the prices received by the producers will invariably be far below the notified minimum prices.

Evidence analysed.

6. The Rubber Board's view is that the present system of marketing is satisfactory for Agency houses and large estates. In their evidence, some of the producers have pointed out that there are difficulties in getting the legitimate prices due to them and that there is scope for improvement in the marketing practice. Representative extracts from the replies to questionnaire are given below:—

(i) "The prices of raw rubber are controlled whereas in the case of coffee there is no ceiling in price and any expenditure that may have to be incurred on the marketing of coffee is met from the sale price and is ultimately realised from the price paid to the producer. If a system of marketing similar to that of coffee is applied to rubber, such expenditure will have to be met within the maximum and minimum prices fixed by Government. In the case of rubber, the present system of sales either direct to manufacturers or through dealers is working fairly satisfactorily in the case of Agency Houses and large estates."
(Rubber Board.)

(ii) "There are several registered dealers in rubber. A few of them are sent for and quotations obtained and the rubber is sold to the highest bidder. Most of these dealers are attached to our manufacturer or others and manufactures are usually reluctant to buy rubber direct from individual planters. No portion of my rubber crop was sold direct to the manufacturers during 1952 and 1953."

(iii) "For long periods in 1952 and 1953 this company experienced, very heavy accumulations of stocks representing at a time upto six month's production-stocks which deteriorated and on which the company lost large sums in interest on capital. These accumulations are a symptom both of the unfortunate defects of the rubber selling price control system itself and of the system governing regulation of imports of raw rubber. If controls continue, the only effective methods of ensuring the control price for the producer is for Government to place manufacturers under an obligation, legally enforceable, to purchase promptly all indigenous raw rubber made available to them at the fixed government control price."

"If for any reason manufacturers are unable to do so, Government should provide them with the temporary assistance required or grant producers licenses to export the rubber if the world market price is favourable compared with the Indian control price at that time."

(iv) "The producer does not generally get the control price as purchasers offer reduced rates on the alleged plea of want of demand from manufacturers."

(v) "When manufacturers restrict their purchases there is underselling at the gradings fixed by them. The producers have to depend entirely on the big manufacturers for the off-take of their rubber. The laws of supply and demand still govern the market to some extent even though there is control."

(vi) "It would be quite worth while to establish public auctions for all grades of rubber within fixed minimum and maximum prices."

(vii) "The producer cannot obtain full benefit of prices throughout the year. When there is no demand, the small growers who are in need of cash for working capital are forced to sell at a discount. Large consumers, as a rule, rule the market and very often by

holding on without buying, the demand and so the prices are brought down to the benefit of these large consuming factories. The small growers with limited capital and petty rubber dealers are in such times forced to sell at whatever prices they can get".

(viii) "Under the present system of marketing the producer is not able to get the prices fixed by government. Small producers are the worst hit in this matter."

"The reason is because the producers are not as well organised as the manufacturers who are only few in number and who always want to get rubber at the cheapest possible rates."

"The solution is to start a central marketing organisation preferably by the Indian Rubber Board who may buy all rubber produced in this country and supply the manufacturers at government fixed rates. One advantage of this scheme would be that the manufacturer will not be the arbitrary judge of the grade of rubber that is supplied to him. The underpaying technique is usually effected by falsely degrading rubber and thus paying a lower rate than that fixed by the government. Another advantage of the scheme is that if the Indian Rubber Board were buying rubber direct from planters the widespread 'parachute' business that is now going on in plantation districts can also be successfully combated. By 'parachute' is meant the business in stolen rubber that is going on. This business in stolen rubber is now so much on the increase that it is high time when something effective is done about it. When a central marketing organisation is buying rubber direct from growers, most of the dealers doing business in stolen rubber can be thrown out. Another advantage is that this central marketing organisation may competently handle crop advance to needy estates who may have new planting or replanting schemes which require capital outlay."

(ix) "The manufacturers who purchase rubber directly are quite few with ample buffer stocks of rubber with them while sellers who have to sell their rubber to make their industry run and to feed themselves are quite a good number. Government depots where outright purchases are effected should be the ideal solution."

(x) "No imports be allowed before making enquiries through the Rubber Board with the estates regarding the supply position. Let the consumers submit their requirements three months ahead to the Rubber Board, and the Board, from the stock position records with them, can arrange supplies."

(xi) "The stock accumulations have arisen in the past on account of withholding of stocks by producers in expectation of a price increase with consequent necessity for manufacturers to import. But it is presumed the following two Tariff Board inquiries the revisions of price in future will be rapid and no occasion for long hoarding should arise. The placing of raw rubber on O. G. L. in 1948 also resulted in serious stock accumulations which it took many years to absorb. This was acknowledged to be a mistake but from the producers' point of view it was a serious one. Stock accumulations have also arisen in the past from the fact that import licences were issued to manufacturers with a monetary ceiling only. This enabled them to import a very much larger tonnage of low grade rubber against a stated requirements of a small tonnage of high grade rubber."

"When there is a good supply and the manufacturers are with stocks, they will degrade and when they are without stocks they will

upgrade. So the whole price structure depends upon the grading of the purchaser. So I suggest that the rubber should be purchased by the Government or by an organisation like the Indian Coffee Board."

"For example, by the beginning of 1953 Dunlop Rubber Co. (India) Ltd. closed the purchasing department for a few weeks and the price of rubber fell by about 25%. From last March to July there was a keen demand owing to the lack of stocks with the manufacturers and the price went up by about 10% over and above the control price."

(xii) "Periodical auctions on the pattern of Coffee Board marketing are being held in Cochin for the disposal of Sole Crepe, in which however Rubber Manufacturers are not interested. Should however, similar system of marketing be favoured or preferred by a majority of interests, we would be willing to book our lots at such auctions in the event of the auctioning authority undertaking full responsibilty for correct grading in which respect many malpractices are known to exist in the market for a long time."

The general opinion, however, is that by and large the big producers have sufficient bargaining strength and are able to sell their output direct to the manufacturing industries at almost the minimum prices.

Small growers' and dealers' difficulties.

7. The small producers on the other hand are not so fortunately placed. They have complained, wherever we met them, that the price they get for rubber is much less than the minimum price. This is testified to even by the large growers. On account of the weakness caused by their poor holding capacity they have to make very often distress sales also. Dealers generally do not pay them according to grades but offer them only one average price for the lot they sell; the price is often on the low side. The complaint of some of the dealers whom we met is that the buying organisations of the manufacturing industries who are the major buyers of raw rubber and who have purchasing depots in the growing areas not infrequently withdraw from the market with a view to depress prices especially during the months of peak production and that sometimes they stop purchases of the superior grades so that they may by doing so indirectly bring pressure on the sellers to undergrade the lots offered for sale. Thus generally the small holders do not get a square deal. They, therefore, need assistance for the realisation of a better price than what they now actually realise for their stocks. They also need guidance in the processing of rubber so that they may produce sheets of higher grades. They say that if they are to be enabled to get a better price, the only way is for government to open purchasing depots. They believe that if a few such depots are opened in selected areas, it will have a salutory effect on the dealers and buyers of rubber.

Shri D.V. Reddy' report on Rubber Industry.

8. The Rubber Board has been alive to the difficulties of growers, in particular of the small growers, in marketing their rubber which arose by the closure of the Government purchasing organisation. Early in 1950 the Board secured the services of Shri D. V. Reddy, an officer of the Agricultural Department of the Madras Government, to make a detailed study of the marketing and other problems of the industry and furnish a report. Shri Reddy made a detailed survey and furnished a report to the Rubber Board in June, 1950. The report gave a factual appraisal of the difficulties of the growers in marketing and in the matter of realisation of the minimum prices fixed by Government for the various grades of rubber. Shri Reddy also found that the large growers had no special difficulties in market-

ing but other producers were not in this happy position. In his report Shri D. V. Reddy recommended measures for improvement of marketing; a gist of the more important among them is given below :—

(i) Arranging for centralised marketing of rubber modelled on the scheme that exists for coffee with option for the large growers to opt to come into the scheme or stay out,

(ii) Establishment of co-operative smoke-houses for processing and marketing of the small holders' latex ;

(iii) Establishment of licensed warehouses to enable holders of stocks of rubber to raise loans by pledging warehouse receipts with Banks;

(iv) Fixation of prices for rubber for different marketing centres, instead of having only one price viz., F. O. B. Cochin;

(v) Imports of rubber by manufacturers to be regulated in such a manner that the arrivals do not occur during months of peak production of rubber in India.

The Board's discussions on the report.

9. The recommendations mentioned above as well as others contained in the report were discussed at a meeting of the Board in August, 1950. The Board came to the conclusion that centralised marketing of the industry's out-put was unnecessary and needlessly expensive as the large producers according to their own admission were able to market their output and that help was needed for the small producers only. They were agreed that co-operative societies for processing the latex of small holders, converting them into sheets would go a long way to help the small growers and that this could be tried at two centres, Ponkunnam and Palai, where there was a concentration of small holdings. They also were agreed that for establishing co-operative societies the Board should give every assistance, including financial assistance. But later however they resolved after an enquiry that co-operatives for small holders were not wanted by them.

Centralised marketing depended on producers' consent.

10. In our questionnaire we had sought information whether centralised marketing as it now exists for coffee is desirable or feasible for rubber. Our questionnaires were forwarded only to producers of over 100 acres and the replies reflect the views of this class of producers alone. At a meeting of the representatives of rubber producers invited by the Chairman of the Rubber Board on 18th September, 1956 to express their views on rubber replanting and marketing to the members of the Commission opinion was divided as follows on the question of marketing.

> "I agree to a pool and manufacturers buying from the pool"—"I do not agree as the producer gets only advances and not the whole value".—"sufficient provisions should be made for deterioration".—"Difficult to bring together small producers".

Holders of over 100 acres account for the bulk of the production of raw rubber and any compulsory marketing scheme that may be introduced, if it is intended to be applied to the industry as a whole should have the support of all sections. The question arises whether a marketing organisation can be thought of for marketing the small holders' rubber only. This is dealt with in greater detail in the chapter on small holders. As proposed in the marketing report of Shri Reddy the larger producers should be free to opt to come into any scheme of centralised marketing started for small holders.

11. One of the points brought to our notice by some of the producers was that the consumer buyers undergrade rubber by refraining from purchasing top grades particularly during periods of peak production. As the large consumer buyers in the market are only two or three, the sellers have often no option in such a situation except to sell their better grades as lower grades. Figures of production and consumption grade-wise are not available but the group-wise figures of production and consumption given in Annexure XIII show a trend which lends support to this allegation. As the large growers are in most cases able to sell their production without any hitch in the matter of grading, it can be inferred that it is only on the small holders that the loss arising of degrading rubber mainly falls. This loss to the small growers can be averted only if State-partnered co-operative societies step in the field for processing and marketing the small holders' production of latex. We have gone into this in greater detail in the Chapter on the small grower.

Complaints of degrading examined.

12. In the previous paragraph we have observed that the off-take of Group I rubber by manufacturers is below production levels. While this is the position with regard to indigenous rubber, it is observed that Group I is imported to the detriment of the interests of the Indian producers. This will be clear from Annexure XIV giving groupwise imports of rubber in the years 1948 to 1954. Though imports of Group I are not large, even limited imports are enough to harm the interests of the Indian producers. We, therefore, recommend that licences granted for import of rubber should contain a stipulation that they are not valid for imports of Group I quality.

Import of group I Rubber recommended to be prohibited.

13. Another complaint voiced was that the purchases made by the large consumers were not regular but erratic in their trends and that this was particularly so during the months of peak production. Table XLII shows the percentage of production in each month and the percentages of purchases made by the two most important consumers in the three years 1953-1955.

Off-take by manufacturers during peak production seasons should increase.

It is seen therefrom that during the months October to January production was comparatively higher than in the other months, but the purchases show a somewhat different trend. They show that during periods of high production growers and dealers have to hold a disproportionately large stocks with them. We consider that as in the operation of a sheltered economy for rubber the manufacturing industry is also benefitted by the fixation of maximum prices for raw rubber, an obligation is cast on them to absorb the growers' output of rubber in proportion to the quantities produced. During seasons of high production of rubber the manufacturers should step up their purchases as *quid pro quo* for the shelter which they get. It will be for the good of all, if the important manufacturing concerns come to an agreement on this point. Otherwise to achieve the desired result, we suggest that the purchase licences issued to manufacturing concerns should be on a quarterly basis, proportionate to the quantum of production of raw rubber in these quarterly periods on the basis of a suitable formula.

14. One of the drawbacks of the price regulatory notification is that the minimum and maximum price is fixed only for one centre namely Cochin. If the price regulation is to be effective the price that passes from the purchaser to the seller must be the same as fixed in the notification for the particular grade of rubber. Any purchaser can plead that the difference between the F. O. B.

Need for fixing minimum and maximum prices for important trading centres.

TABLE XLII.

Table showing monthly purchases of rubber by the two most important units of the manufacturing industry (A & B) in percentages to their total annual purchases as compared with monthly indigenous production in percentages.

Month	1953			1954			1955		
	Indigenous production	Purchases made by		Indigenous Production	Purchases made by		Indigenous production	Purchases made by	
		A	B		A	B		A	B
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
January	9.4	8.69	6.82	8.8	11.28	10.25	7.6	11.46	9.58
February	1.8	2.43	0.32	1.8	6.94	7.51	1.9	6.02	10.57
March	4.9	13.89	5.25	5.7	11.62	10.42	5.9	11.51	5.89
April	9.7	4.54	7.36	9.2	7.42	7.81	10.2	8.99	3.48
May	9.0	6.69	9.46	9.6	7.21	9.88	9.3	2.25	5.44
June	6.8	10.58	8.32	5.2	13.90	9.29	4.8	8.62	12.24
July	4.2	10.99	9.38	6.8	6.51	4.50	7.3	9.35	1.58
August	8.9	7.15	14.11	7.2	5.33	7.21	7.9	6.51	5.45
September	11.2	12.21	12.36	11.1	7.21	6.86	10.3	8.16	12.19
October	10.0	9.03	7.88	10.8	5.72	6.23	10.9	4.46	10.94
November	11.9	9.07	6.91	12.4	6.30	11.16	12.0	13.06	13.27
December	12.2	4.73	11.84	11.4	10.56	8.88	11.9	9.61	9.37

prices fixed in the notification and the prices paid or obtained at the sale should be considered as handling, packing and transporting charges. There is need therefore for fixing minimum and maximum prices for the other important marketing centres also. Shri Reddy had also recommended it in his report. Unfortunately this recommendation of his does not appear to have received the serious consideration of the Government. It is admittedly dfficult to fix prices for the numerous centres where purchases and sales of rubber take place; but we feel that prices could be fixed (delivery within municipal limits) for Kottayam which is an important trading centre for rubber where 76 out of a total of 305 dealers have establishments for purchases and sales. On the same principles, prices can be fixed for other important centres also where large transactions in rubber take place. If this is done one of the obstacles that stand in the way of a large number of small holders getting the minimum prices will be removed.

Sales in lots measures for prevention.

15. Fixation of minimum and maximum prices for the different marketing centres will not by itself be of much help to the growers unless measures are also introduced to prevent purchases and sales in lots which is now widely prevalent. Though the Tariff Board and the Tariff Commission knew, when they recommended the prices to be fixed for different grades of rubber, that there were also sales of rubber in lots, they did not recommend any rate for sales in lots, obviously because it was not possible to do so, as a lot could not be defined in terms of a combination of grades. If sales in lots are permitted, there will be plenty of room for malpractices and arbitrary reductions of prices by purchasers when the market is dull, and putting up of prices by producers when the market is bullish. If a dealer or manufacturer is compulsorily made to issue purchase bills, stating the grades and the quantity of each grade of rubber purchased, room for malpractices can be reduced. Most of these unlicensed petty merchants who are numerous will find it difficult to operate, if this restriction is imposed on purchases in lots.

The notified price for Rubber-fair.

16. We have stated in an earlier paragraph that price for raw rubber is notified by the Government of India in the Ministry of Commerce and Consumer Industries from time to time. This price is based on the "cost of production plus" basis. The following are the principal components of the price for raw rubber:—

(i) Cost of production (as defined in the chapter on Cost of Production).

(ii) Interest on working capital.

(iii) Depreciation.

(iv) A fair return on the capital invested.

(v) Taxation, cess, sales tax etc.

The Tariff Commission has recommended a return of Rs. 150 per acre at 12½% on a share capital of Rs. 1,200 per acre as reasonable remuneration inclusive of provision for managing agency commission, taxation, reserves and dividends. The working capital employed as reported by certain companies works to Rs. 111.5 per acre. A 6¼% interest on this working capital amounts to Rs. 6/14/- per acre. We have recommended that all estates should compulsorily set aside a certain amount every year towards a replanting fund. This works out to Rs. 42 per acre calculating at a cost of Rs. 1,400 per acre for replanting 3% of the planted area every year. These additional costs plus the 12½% return on share capital amount to Rs. 198/14/- per acre. The yield per acre of reporting companies being 322·4 lbs., the incidence of these costs on 100 lbs. of rubber would be

Rs. 61.7. Adding this to the average cost of production of Rs. 77·1 in 1953, the price for rubber works out to Rs. 138.8. To this is to be added sales tax at 3 pies per rupee and cess of Rs. 6/4/-. Adjusting also for the differential for the top grade of rubber the price for grade I would be Rs. 152/-. It is to be noted that we have here taken the cost of production as arrived at from the data furnished in proforma 'C' by estates addressed by us. As noted earlier, the cost arrived at by the Cost Accountant is lower.

The above calculations do not take into account the probable increase in costs as a result of the implementation of the Plantation Labour Act. At the present price of Rs. 155/12/- a sum of Rs. 3/12/- per 100 lbs. would be available under this estimate for meeting increased costs for labour welfare. Thus on the basis of our data the present price of rubber of Rs. 155/12/- should be considered as a fair price.

While the above is the position on the basis of figures furnished by the estates, the estimate on the basis of the Cost Accountants' figures is as shown below:—

Cost Accountants' figures.

(In Rs. per 100 lbs.)

Particulars	At yield of 400 lbs. per acre.	At yield of 350 lbs.* per acre.
1	2	3
Average weighted Cost of production	69-0-0	79- 0-0
Interest on working capital at 5%	1-0-0	1- 2-0
Holiday wages (from 1-4-'54).	1-8-0	1-11-0
Rehabilitation (to cover increased costs).	9-0-0	10- 5-0
12½% on fixed capital	37-8-0	43- 0-0
Sales tax 3 pies.	2-0-0	2- 0-0
	120-0-0	137- 2-0
Differential for top grade.	5-0-0	5- 0-0
	125-0-0	142- 2-0
Add cess	6-4-0	6- 4-0
Total	131-4-0	148- 6-0

If the cost is adjusted for an yield of 350 lbs. a fair price will amount to Rs. 148-6-0.

In addition to the sum of Rs. 10-5-0 provided for rehabilitation, there is also a sum of Rs 14 per acre available in the cess for replanting at the rate of Rs. 4 per 100 lbs. out of the increased cess of Rs. 6-4-0 calculated for 350 lbs. To this should also be added a portion out of the return on capital put by as reserves. What was needed was a proper calculation of all these available provisions for replanting and their funding as a Replanting fund as discussed by us in greater detail in *Chapter X.*

The price for rubber as worked out on the basis of the Cost Accountants' figures adjusted to a 350 lbs. yield is less than the present notified price of Rs. 155-12-0 by a sum of Rs. 7-6-0. Out of this amount the exact proportion due to increased labour wages should be deducted and the balance should be available for labour welfare measures.

*The figures in column (3) are derived from column (2) adjusted to an yield of 350 lbs. per acre.

CHAPTER VIII.

Profits and their allocation.

Coverage of the analysis.

An analysis of the profit and loss accounts of rubber plantation companies for the years 1939, 1946 and 1950-53 has been made to assess the profits and their allocation in the Industry. This assessment also reveals to some extent the financial policies followed by the corporate sector of the Industry. Though a large number of companies furnished copies of profit and loss accounts, those companies having rubber plantations alone were selected for this study. Among these only 12 companies have furnished profit and loss accounts for all the years required. The area covered by these companies is 17,047 acres or roughly 22. 5% of the area of all companies in the Industry. The coverage is no doubt small. This is because a number of planting companies that were established during the War years and after naturally fall out of this category. However, the Research and Statistical Department of the Reserve Bank had figures in respect of twenty seven Indian companies and four Non-Indian companies for the years 1950-53 and they placed them kindly at our disposal. These figures have also been made use of in our analysis of profits. These include 9 out of the 10 Rupee Indian and Non-Indian companies covered by our analysis. The accounting period was not the same for all the companies. In cases where the accounting period ended on or before the 30th June, figures have been taken as referring to the preceding calendar year and where the accounting period ended after the 30th June, the figures have been taken to refer to the same calendar year. The companies analysed fall into four distinct types of management as shown in Table XLIII.

We find from this table that while the coverage for the Non-Indian Rupee companies is over 50% of the total for this group, similar percentages for the Sterling and Indian Rupee companies are about 23 and 13 only. Further while the yield per acre in these groups of companies is somewhat near the normal yield (350 lbs.) as estimated by the Tariff Board (Commission), the investment per acre is much less than the Tariff Board (Commission)'s figure of Rs. 1, 200 per acre. These limitations have to be kept in view in the analysis of profits given in this chapter.

The data supplied by the Reserve Bank covers 27 Indian and 4 non-Indian Rupee companies for the years 1950-53. For these years, the coverage for the Indian controlled and the Non- Indian controlled companies is about 53 and 69 per cent of their groups respectively.

An analysis has also been made of profit and loss accounts of all the 17 companies that were analysed for the study of capital structure. These include five companies which had other crops like tea and coffee besides rubber. Figures for rubber alone in these cases have been estimated on the basis stated in Chapter IV. The figures relating to these 17 companies are shown in Annexure XV and it will be seen that they follow, within limits the same pattern as for the twelve companies discussed in the body of this chapter.

Definitions

2. Net profits have been taken to include the sum of provision for taxation, amount distributed as dividends, amount transferred to reserves and the net increase in the balance carried forward. Gross profits include net profit as mentioned above plus interest charges and commission paid to managers and managing agents. Both gross and net profits are arrived at after allowing for depreciation charges. Income earned by the company from sources other than the sale of rubber, for example, income from investments is also shown separately in the profit analysis. The profits of these companies and their allocations have been shown in detail in Annexure XVI. (Statements 1 to 18.)

3. The total gross profits of these twelve companies analysed by us were Rs. 8.99 lakhs in 1939. These rose to Rs. 29.71 lakhs in 1951 and then fell slightly to Rs. 25.76 lakhs in 1953. The average profit for the years 1950-53 was Rs. 24.7 lakhs. The years 1951 to 1953 were uniformly high profit years for all the groups of companies (Statement 1).

Total gross profits

4. The figures of percentage of gross profits to total capital employed for the various groups of companies are shown in Statement 2. The average percentage for all groups advanced from 11.33 in 1946 to 21.8 in 1952 and then fell to 17.48 in 1953. In the Sterling group this percentage shows a decline by nearly half in 1953 compared to 1952.

Gross profits as related to capital employed.

In the Rupee Non-Indian company group the proportion of gross profits to total capital employed has been more or less steady during the three years 1951-53. The Indian company group also does not show much increase during these years. The four 'Director-controlled' Indian companies showed a definite increase in gross profits in 1953 in relation to total capital employed by more than 50% over that of 1950; this increase was over 85% in 1951 and in 1952.

The figures of the Reserve Bank for Indian companies and Rupee Non-Indian companies showed roughly the same trends as our own figures (Vide Annexure XVII).

5. The percentage of gross profits to net worth according to the Reserve Bank figures for 27 Indian-controlled companies and 4 Non-Indian controlled Rupee companies are shown in Table XLIV. The higher percentage in Rupee Non-Indian companies is due to the fact that, while the net worth amounted on the average to Rs.1,117 per acre between 1950 and 1953 in Indian companies, it was only Rs. 837 for Rupee Non-Indian companies. The average gross profit per acre was Rs. 204 and Rs. 185 for Indian and Non-Indian Rupee companies respectively for the four years 1950-53. Even so the percentage of gross profit to net worth was lower in Indian companies due mainly to the higher investment of share capital per acre. Conversely the lower investment of share capital in Rupee Non-Indian companies explained the increased percentage of gross profit to share capital in Non-Indian companies.

Gross profits as related to net worth and share capital.

6. The percentage of gross profit to gross sales for all the groups (Statement 3 of our figures) was the highest in 1939 at 50.76%. It fell to 35.8 in 1946 and 33.5 in 1950 rising again to 42.23 in 1951. In 1953, the percentage worked out to 34.23. Considered management-wise, the percentage varied in 1953 from 28.52 for Sterling companies to 43.23 for the Indian-Director-controlled companies the Reserve Bank figures showed a percentage of 41.4 for 27 Indian companies as against 27.52 for four Indian companies under Managing agents and 43.23 for Director-controlled Indian which our figures showed. But the variation was particularly marked (our figures) in the percentage of gross profit to gross sale proceeds in the case of Sterling (28.5%) and Director-controlled Indian companies (43.2%) in 1953. Also, while there has been a fall in this percentage in respect of Sterling companies between 1946 and 1953, there was a rise in respect of Director-controlled Indian companies.

Gross profit as related to gross sales.

7. The Tariff Board in its report said:—

"We consider that it is reasonable to allow a gross return in this case at the rate of 12½% on the paid-up capital which has been taken here to be the fixed capital of the industry. On a paid-up capital of Rs. 1,200 per

Gross profits high or low.

acre the amount of return comes to Rs. 150. The estimated yield is 350 lbs. per acre. On this basis the amount of return per 100 lbs. comes to Rs.42.86. It may be noted that out of this amount of gross return, the estates will have to provide for (a) managing agency commission, (b) dividends to shareholders, (c) reserves and (d) taxation."

The Tariff Commission therefore calculated a gross profit of Rs. 150 per acre out of which all the allocations mentioned above had to be made. The gross profit per acre in 1953 according to our figures and according to figures of the Reserve Bank are shown in Tables XLV and XLVI.

It will be found from the Reserve Bank figures that gross profits per acre were on the average more than the sum of Rs. 150. (Annexure VIII) According to the Reserve Bank figures, the number of Indian companies whose gross profits exceeded Rs. 150 was 13 out of 23 and their profits ranged from Rs. 167 to Rs. 514 per acre. Gross profits in relation to gross sales may show a high figure about 40% but this will be no criterion for assessing its extent as high or low. A study of actual proportions of different allocations out of profits and in rupees per acre may give a proper picture (Vide Table XLVII). That average gross profits are not excessive despite their increase between Rs. 35 and Rs. 54 per acre over the sum of Rs. 150 per acre allowed by the Tariff Board will be apparent from the figures in Table XLVII.

If depreciation charges for renewal of old trees were added to the costs the gross profits would get automatically reduced. This would amount to about Rs. 42 per acre at the rate of 3% of the cost of replanting amounting to Rs. 1,400.

Commission to Managing agencies and staff.

8. Statement 4 gives the commission paid to managing agents and statement 5 gives the percentage of this commission to gross profit. The percentage of commission was the highest in Indian companies at 13.2% in 1953 whereas in Non-Indian companies it was 4.5% and in Sterling companies 7.67%. The Reserve Bank figures also show the same trends (average for 1950-53). Out of 17 Indian companies, 1 paid a commission of 20% on gross profits, 6 between 12 and 19%, and 10 below 12% on the average of gross profits as managing agency commission based on the average for four years. In other words 41% of the companies paid a commission over the statutory 11% as provided by the Company Act. The average gross profit per acre of Indian companies for the years 1950-53 amounted to Rs. 204 and the average managing agency commission to Rs. 16. This works out to 8% of gross profit. The 4 Non-Indian controlled companies showed an average percentage of 4, 4, 5 and 7% respectively for the years 1950-53.

The percentage of commission paid to managers and senior staff as related to gross profit (according to our figures) was the highest in Sterling companies in 1953 at 5.46. In Non-Indian companies it was 3·84%. (No such commission was paid by Indian companies-Statements 6 & 7).

Net profits before and after tax.

9. Net profits before taxation of these 12 companies were Rs. 8. 52 lakhs in 1939. Net profits rose to Rs. 26. 78 lakhs in 1951 and then declined to Rs. 22.87 lakhs in 1953. The average for the four years 1950-53 was Rs. 21. 95 lakhs. Net profits were highest for all groups of companies in 1951 (Statement 8). Profits after tax showed a similar trend (Statement 9). In the case of Sterling companies because of the higher incidence of taxation, the ratio of profit after tax to profit before tax was the lowest. The percentage of net profit before tax to paid-up capital was 18.6 in 1946. It rose to 42.19 in 1951 but fell to 32.75 in 1953. In 1953 this ratio was the highest in Partly Indian and Indian companies at 43 to 45% (Statement 10).

10. The percentage of net profit after tax to net worth was 8.52 in 1946, 13.97% in 1951, and 12.42 in 1953. Management-wise figures showed that Non-Indian companies had a greater percentage of net profit after tax as related to net worth than Indian companies under managing agencies. Sterling companies showed the smallest percentage of net profit after tax on net worth. (Statement 11).

Net profits after tax related to net worth.

11. An analysis of our figures of net profits after tax per acre in 1953 showed that these were Rs. 42 per acre in Sterling Companies, Rs. 76 to Rs. 107 in Indian companies, and Rs. 147 per acre in Rupee Non-Indian companies. (Statement 12).

per acre.

Case studies of individual companies showed that the net profit per acre in 1953 was between Rs. 100 and Rs. 170 per acre in six companies (1 sterling, 2 Rupee Non-Indian and 3 Indian) and between Rs. 50 and Rs. 100 in two companies (Indian) and below Rs. 50 in the remaining four companies (1 Sterling and 3 Indian).

According to the Reserve Bank figures, the average net profits after tax per acre for 1950-53 amounted to Rs. 119 for 23 Indian companies. 15 out of these 23 companies had an average net profit per acre of less than this amount while 6 had an average net profit ranging from Rs. 124 to Rs. 260. The 4 Rupee Non-Indian companies had a net profit after tax of Rs. 149, Rs. 151; Rs.140 and Rs. 226 per acre and an average of Rs. 155 for the four years 1950-53. (Annexure VIII)

Net profit after tax per acre for each of the years 1950-53 for 24 Indian controlled and 4 Non-Indian controlled companies was the following. (Annexure VIII)

Net profit after tax per acre.

(In Rs.)

	1950	1951	1952	1953	Average of 1950—53.
24 Indian companies	98	123	124	130	119*
4 Non-Indian companies	90	167	186	172	155

12. The figures of net profit after tax for 100 lbs., for the 12 companies analysed by in 1953 averaged Rs. 30.06. Sterling companies recorded the lowest profit at Rs. 12.39 per 100 lbs. This is due to their higher costs of production and the higher incidence of taxation. The Rupee Non-Indian companies showed the highest profit at Rs. 47.42 per 100 lbs. The Indian companies showed a net profit after tax of about Rs. 30 per 100 lbs. (Statement 13). The sanction of an increase in prices of rubber by the government is fully reflected in the increased margin of profits since 1951.

Net profit after tax per 100 lbs. of rubber produced

13. Distributed profits have risen progressively year by year from Rs. 1.27 lakhs in 1939 to Rs. 10.28 lakhs in 1953. (Statement 14). Though the sum of net profit after taxation has fallen from Rs. 16.44 lakhs in 1951 to Rs. 16.21 lakhs in 1953, distributed profits increased from Rs. 9.1 lakhs in 1951 to Rs. 10.28 lakhs in 1953. The following management-wise analysis shows that the distribution of profits was not directly related to variations in profits.

Distributed profits.

*For 23 companies.

Profits.	Increase or decrease in net profits after tax (lakhs of rupees) 1953 over 1951.	Increase or decrease in dividend (lakhs of rupees) 1953 over 1951.
Sterling companies.	—176	—20
Rupee Companies		
Non-Indian	+139	+105
Indian	+ 24	+ 35
Director-controlled Public Ltd.	— 10	— 3

Taking all managements together, the percentage of distributed profits to profits after tax rose from 15.36 in 1939 to 46.16 in 1946 and further to 63.42 in 1953. Between 1951 and 1953 the percentage has increased slightly in Partly Indian and Director-controlled companies and substantially in Sterling and Indian companies. The increase in the percentage of distributed profit to net profit after tax in 1953 over 1951 was 22 in respect of Sterling companies and 10 in respect of Indian companies (Statement 16).

Distributed profits as related to paid-up capital averaged 14.72% for all companies in 1953. In the Rupee Non-Indian companies this percentage was highest at 24.76%. In the two groups of Indian companies it was 13.03% and 20.47% respectively. In the Rupee Non-Indian companies the percentage has been over 18% from 1946 onwards. Sterling companies showed a low percentage of 5.61 in 1953 (Statement 17). Statement 18 gives frequency distribution of dividends paid on ordinary shares. It is seen from this statement that in 1953, 3 out of 4 Sterling companies, 2 out of 3 Rupee Non-Indian companies and 4 out of 10 Indian companies paid a dividend of 20 to 39% on ordinary shares. The remaining 1 Non-Indian and 3 Indian paid dividend between 10 to 19% in 1953.

The Reserve Bank figures also showed similar trends. (Vide Table XLVIII).

A greater percentage of distributed profit is due to a lower rate of investment of share capital in Rupee Non-Indian concerns. If distributed profits are related to acreage, the difference between Indian and Non-Indian companies was little in 1950, while in 1951, 1952 and 1953 Non-Indian companies showed a higher distributed profit per acre. The average for the whole period 1950-53 also showed a higher rate of dividend per acre for Rupee Non-Indian companies (Vide Table XLIX).

Summary of Conclusions-Gross profits

14. Gross profits as related to total capital employed showed a higher figure for Director-controlled companies than for Sterling companies in the year 1953. As between 1950 and 1953 Sterling companies showed a decline while the Director-controlled Indian companies showed a rise.

Gross profit per acre was higher in Director-controlled Indian companies and Sterling companies than in Rupee Non-Indian companies.

Percentage of gross profit to net worth and share capital was higher for Rupee Non-Indian companies than for the Indian.

While between 1946 and 1953 there was a fall in the percentage of gross profit to gross sales in Sterling companies, there was a rise in Director-controlled Indian companies. Indian companies showed a percentage of 43 as against 28.52 for Sterling companies in 1953.

The average gross profits for a majority of companies cannot be regarded as excessive if depreciation charges for renewal of old trees are added to costs.

Managing Agency Commission.

15. The average managing agency commission on gross profit was 7.67% in Sterling companies, 4,5 to 7% in Rupee Non-Indian companies and 10% for Indian companies. 41% of the Indian companies paid an average commission over the statutory 11% (New Companies Act).

Commission to staff.

16. The percentage of commission as related to gross profits paid to managers and senior staff amounted to 5.46 in Sterling companies and 3.84 in Rupee Non-Indian companies.

Net Profit after tax.

17. In the case of Sterling companies because of the higher incidence of taxation the ratio of profit after tax to profit before tax is the lowest.

As related to net worth, acre and 100 lbs.

18. Rupee Non- Indian companies made a greater percentage of net profit after tax on net worth than Indian companies under Indian managing agencies. Sterling companies showed the smallest percentage of net profit after tax on net worth. Analysed in proportion to acreage the Indian companies showed according to figures of the Reserve Bank an average net profit after tax of Rs. 119 per acre, while the Rupee Non-Indian companies showed Rs. 155. Our own figures showed the same trends. Sterling commpanies according to our figures had a net profit after tax of Rs. 42 per acre. The same trends were seen when net profit after tax was related to 100 lbs.

Dividends.

19. The percentage of dividends to profits after tax was high between 1951 and 1953 in Sterling and Indian companies.

As related to paid-up capital, dividends (24.76%) were highest in Rupee Non-Indian companies in 1953. They were also high since 1946. The Indian companies paid 13 to 20% and Sterling 5.61% in 1953. In 1953, 3 out of 4 Sterling companies, 2 out of 3 Rupee Non-Indian companies, and 4 out of 10 Indian companies paid a dividend of 20 to 39% on ordinary shares. The remaining one Rupee Non-Indian and 3 of the Indian paid a dividend between 10 and 19%. The remaining 3 Indian companies paid less than 10%. The figures of the Reserve Bank showed that the percentage of distributed profit as related to paid-up capital was 9.7 for Indian companies and 20 for Rupee Non-Indian companies, and as related to net worth was 7.6 and 12 respectively. Dividend per acre was Rs. 85 for Indian and Rs. 100 for Rupee Non-Indian companies.

A rational basis for profit distribution.

In our report on tea we have stated that there should be a rational basis for distribution of profits. We suggested the following order of distribution:

(i) The depreciation allowance allowed by the income tax authorities should be separately funded and drawn upon only for meeting expenditure on replacement and renewal of fixed assets.

(ii) The replanting fund should be set apart as already recommended.

(iii) After providing for taxation, each company should build out of its profits a statutory reserve for meeting development expenditure and unforeseen charges; this reserve should be kept in a fairly liquid form.

(iv) From what is left over, a certain minimum dividend should be provided for as a percentage on share capital.

(v) The remainder should be divided between share holders and labour and staff according to a suitable formula.

The details were to be worked out. We suggested that this may be done by a committee of experts and representatives of employers and labour.

The scheme when worked out was to apply to companies registered in India. As regards Sterling companies, a suitable procedure for the application of the scheme was to be evolved. While evolving the procedure we said that it should be ensured that the statutory development reserve is invested in India.

We recommend that a similar scheme should also be worked out in respect of Rubber plantation companies, so that the various interests in the industry viz., share holders, the staff and the labour will get a legitimate share of the profits.

Foot note :

The following are the figures of foreign investment in rubber plantations as on December 1953 furnished by the Reserve Bank:

Total investment of Sterling companies in rubber plantations in India.	Rs. 187 lakhs.
(Figures for two companies having tea also are estimated)	
Foreign investment in Rupee companies.	Rs. 38 lakhs.
(i) Total	Rs. 225 lakhs.
Profit of Sterling companies	Rs. 26 lakhs.
Interest and Dividends earned on investments in Rupee companies.	Rs. 2 lakhs.
(ii) Total	Rs. 28 lakhs.

Percentage of (ii) to (i) 12%.

TABLE XLIII

Table showing coverage of the companies analysed for profits

Type of Ownership/Management	No. of Cos.	Planted area (in acres)	Yield per* acre (in lbs.)	Investment per acre (in Rs.)	Percentage of the area of each group to the total area of company sector.	Percentage of the area of each group to the total of each group
1	2	3	4	5	6	7
		A §				
Sterling companies.	2	5,767	340	794.7	7.6	23.1
Rupee companies :						
Under Non-Indian Managing Agents.	2	6,231	310	808.9	8.3	51.9
Under Indian Managing Agents.	4	2,678	234	704.3	3.5	13.2
Director-controlled Ltd. companies.	4	2,371	367	648.4	3.1	
		B †				
Indian controlled companies.	27	20,199	354	1,108.9	26.5	53.0
Non-Indian controlled companies.	4	8,768	336	821.2	11.6	69.0

* Including immature areas ; if only mature area were to be taken into consideration, the yield would be higher than the figures given here indicate.
§ Figures relate to companies analysed by us.
† Figures relate to companies analysed by Reserve Bank.

TABLE XLIV

Table showing percentage of gross profit to net worth and share capital.

Type of Ownership	1950		1951		1952		1953		Average 1950-53*	
	Percentage of Gross profit to		Percentage of Gross profit to		Percentage of Gross profits to		Percentage of Gross profit to		Percentage of Gross profit to	
	Net worth	Share capital	Net worth	Share capital	Net worth	Share capital	Net worth	Share capital	Net worth	Share capital
1	2	3	4	5	6	7	8	9	10	11
Indian companies.	16.15	20.00	19.02	25.16	18.50	25.16	18.64	26.45	18.00	23.00
Non-Indian companies.	18.00	26.47	27.12	47.06	27.70	43.90	24.29	41.46	22.00	37.00

*For 23 companies.

Source :— Reserve Bank.

TABLE XLV

Table showing Gross Profit per acre. (In Rs.)

Type of Ownership/ Management	No. of cos.	Gross Profit per acre. 1950	1951	1952	1953
1	2	3	4	5	6
Sterling Companies :	2	134.05	220.27	151.22	133.34
Rupee Companies :					
Under Non-Indian Managing Agents Control.					
Partly Non-Indian.	2	87.64	154.82	173.65	167.07
Under Indian Managing Agents Control.					
Indian.	4	68.10	110.36	107.60	113.15
Director Controlled-Public Ltd-Indian.	4	91.20	196.41	169.82	195.28
Average Gross Profit per acre for Rupee Indian companies		79.35	152.20	137.50	151.71
Total.	12	101.20	176.47	155.26	151.11

Source : Balance Sheets analysed by us.

TABLE XLVI.

Table showing gross profits per acre as furnished by the Reserve Bank (In Rs.)

Type of Ownership	No. of cos.	1950	1951	1952	1953	Average 1950-53
1	2	3	4	5	6	7
Indian controlled companies.	24	169	210	212	222	204*
Non-Indian controlled companies.	4	107	197	216	214	185

* for 23 companies Source :—Reserve Bank.

TABLE XLVII

Table showing allocation of profits (Including commission to managing agents)
(Figures in cols. 2 to 6 in percentage).

	1950	1951	1952	1953	Average 1950-1953	Rupees per acre
1	2	3	4	5	6	7
27 Indian-controlled companies.						
Managing Agency Commission.	10	9	8	8	8*	16
Tax.	30	31	30	32	31*	63
Dividend.	37	40	47	47	43*	85
Retained profit.	23	20	15	13	18*	34
4 Non-Indian controlled companies.						
Managing Agency Commission.	11	6	6	6	5	9
Tax.	11	13	6	13	11	20
Dividend.	56	50	56	54	54	100
Retained profit.	22	31	31	27	30	55

* for 23 companies. Source: Reserve Bank.

TABLE XLVIII.

Table showing percentage of distributed profit to share capital and to the sum of share capital and reserves.

	1950		1951		1952		1953		Average of 1950-1953	
	Indian	Non-Indian	Indian	Non-Indian	Indian	Non-Indian	Indian	Non-Indian	Indian	Non-Indian
% of distributed profit to share capital	7.10	14.71	9.03	23.53	10.97	21.95	11.61	19.51	9.7	20
% of distributed profit to share capital and reserves	5.73	10.00	6.83	13.56	8.06	13.85	8.18	11.43	7.6	12

Source : Reserve Bank

TABLE XLIX.

Table showing dividends per acre.

A*

Type of Ownership	1950	1951	1952	1953	Average of 1950-1953
Sterling Companies	20.5	30.6	16.3	27.2	
Non-Indian Companies	48.0	73.8	86.7	87.9	
Indian Companies.	33.0	40.7	49.7	52.7	
Director-Controlled companies	40.4	75.2	66.6	76.9	
		B**			
24 Indian controlled companies	60	80	97	101	85***
4 Non-Indian controlled companies	63	105	116	113	100

* Figures relate to our analysis.
** Figures relate to Reserve Bank's analysis.
*** For 23 companies.

CHAPTER IX.

Finance

Introductory.

In this chapter we shall examine the financial requirements of the established units of the rubber plantation industry. The financial needs of rubber estates fall under two main heads—short-term and long-term. Short-term finance is required for meeting the working costs of the estate and the processing factory and marketing of the product until the sale proceeds are received. Long-term finance is needed for expenditure of a capital nature such as replanting, extension of cultivation, improvement of building and machinery, construction of labour quarters etc.

Working capital needs-estimates of.

2. In our questionnaire we had asked the estates to furnish information regarding their normal requirements of working capital and the sources from which these funds were found and the actual working capital expended during the past three years. Only 36 estates responded to our questionnaire and furnished certain data. The questionnaire was addressed only to estates of over 100 acres and the data received therefore covers only this sector of the industry. The acreage covered by these estates is about 19,000 acres i. e., about 20% of the estates of over 100 acres. The estimates of normal working capital as furnished by these estates range between Rs. 100 and Rs. 150 per acre. The general opinion was that the actual estates expenditure for 3 to 4 months will be enough as working capital because the rubber produced in any one month could be expected to be sold and the amount realised within that period. On the basis of four month's costs of production figures have been worked out giving estimates of working capital for companies under different type of ownership and management. (Vide Table-L)

This table shows that the estimated average working capital in 1953 is Rs. 92.31 per acre. Figures of working capital as furnished by reporting companies and concerns are given in the Annexure XVIII. It is seen therefrom that the average working capital needs for the companies analysed have increased from Rs. 88.31 per acre in 1951 to Rs. 111.54 per acre in 1953. On the basis of production, the requirements of working capital works out on the average to about 5 annas per lb. in 1953. It has not been possible to make an accurate estimate of total working capital needs of the industry; but it may be roughly calculated to be of the order of Rs. 1.5 crores for estates of over 100 acres. This is on the basis of the figures furnished by reporting companies applied to the total area of estates over 100 acres.

The sources from which estates generally meet their requirements of finance are (i) their own resources built up out of profit retained from year to year (ii) advances for loans from managing agents (iii) loans from rubber dealers and other private bankers. The majority of the estates have not indicated in their reply the actual amounts they have borrowed from the several agencies for working capital. The general reply has been that the estates have relied on their own resources and when necessary, on loans from banks or managing agents as the case may be. The rate of interest on these loans has in no case exceeded 12% and has generally been between 6½% and 9%. As regards the nature of the security offered, it is stated that when the loan is for a short period of a month or so it is not usual for the managing agents to ask for security. When the loan required is for a longer period, the security asked for is normally a simple hypothecation of the crop. In the case of loans from Banks, the securities asked for are a simple hypothecation of the crop and/or an indemnity guarantee from a third

party whose credit is acceptable to the Bank. In the case of companies managed by managing agents, this guarantee is offered by the managing agents. The deposit of title deeds of the landed property is also some time insisted upon.

The following extracts of evidence arranged management-wise illustrate the sources from which finance is generally obtained, the procedure adopted for this purpose and the rate of interest charged.

(a) Sterling companies. Own resources. "From the sale proceeds of the rubber manufactured".

"We consider that the proper working of any industry should provide for all forseable expenditure, revenue and capital, by conserving its own resources and ploughing back profits into the business; it is only thus that the company can maintain a strong and healthy financial structure. This has always been this company's policy and we have thereby been enabled to incur all expenditure from current liquid funds belonging to the company itself".

(b) Non-Indian controlled companies. Mainly from own resources and to a small extent from managing agents and banks.

Normally, we have found that rates of interest in respect of loan amounts up to Rs. 3 lakhs, the interest rate has been upto 2% above the ruling bank rate.

In regard to debentures the rate of interest fluctuates, but we should think a fair average is about 6½% to 7½%.

(c) Companies under Indian Managing agencies

"The sources from which we ordinarily obtain funds are:—(i) for capital expenditure by issue of debentures or shares or when this is not possible by bank loans. (ii) for normal working expenses either from cash balances or bank loan".

"The source for all finance is the Reserve Fund. The managing agents used to finance in earlier years when reserves were small. Loans or other advances from dealers etc., nil".

"From the income from the estate. Sale proceeds of rubber. Advances from managing agents. Advances from banks (Indian)".

"From the income of the estate. Our own resources".

"Capital expenditure and the normal working expenditure for the working of the estate are met from the sale proceeds of the rubber produced on the estate and also from reserves of the company".

a. *Procedure usually followed to get the finance.*

When it is a replanting or major construction work we try to issue mortgage debentures in the open market at about 7% interest tax free. If amounts required are small enabling repayment within 1 or 2 years commercial banks are approached and the interest charges will come to 9/12%.

b. For debentures, mortgage of the whole assets is required. Banks usually require crop hypothecation.

c. For normal working expenses in lean years bank advances are difficult to get. Work would considerably suffer and mav even have to be stopped. It is only in prosperous years that any finance becomes available from outside sources".

"Usually the expenses on the Estate are met out of the sale proceeds of rubber. But when stocks accumulate, funds will be required from other sources. It is difficult to raise funds on the security of stocks of rubber.

Advances by bankers and agency houses on the security of stocks may be made available."

"Whenever we have to take loans from our managing agents, they charge us interest at 6% per annum on monthly balances."

(d) Director controlled Indian companies.

"Funds for capital expenditure from bank on security. Funds for normal working expenses from bank on over draft. Loans from commercial banks."

"Bank's rate of interest on loan ranges from 6 to 9%."

(e) Proprietary and partnership concerns-Indian.

Own resources, commercial banks, private bankers and dealers of rubber.

"The Commercial banks are now reluctant to advance any money on property security and hence enough funds are not available.

"(a) Operation of current a/c.

(b) Personal and properties.

(c) Bankers hesitate to pay on security of land which is the only solid security the estate can offer. The restriction of Reserve Bank on the amounts advanced on securities of landed property causes undue difficulties."

"(a) Mortgage one's property and write D. P. Notes.

(b) Government securities, Gold, Mortgage and D. P. Notes.

(c) Talking about present state of affairs funds are not obtainable from any source whatever.

"Rate of Interest—7½ to 9 per cent per annum—special difficulties nil."

12% with quarterly stops. Any development of the industry will not justify this rate of interest on the capital."

"The banks used to charge 9% interest. The rubber dealers charge no interest but they will make a slight reduction in the prices."

"Between nine and twelve per cent per annum with quarterly rests. My complaint is that only the favoured few get these loans even on such prohibitive rates."

Figures have been furnished by the Reserve Bank showing the amount of advance made by banks to rubber plantation companies and these are given in Table LI. It is seen there from that these advances aggregated to Rs. 9.95 lakhs in 1951, Rs. 12.18 lakhs in 1952 and Rs. 12.69 lakhs in 1953 averaging to Rs. 11.61 lakhs for the three years. The Table also shows that the advances to producers of over 100 acres constituted the largest part of Bank advances amounting to Rs. 8.35 lakhs in 1951, 10.27 lakhs in 1952 and Rs. 10·42 lakhs in 1953 averaging to Rs. 9.68 lakhs or 83.5% of the total advances. The interest on these advance averaged between 4½ to 12% and one bank charged in addition to interest a commission of 2 annas per cent. We consider that the levy by some of the banks of a commission in addition to interest is unjustified and accordingly recommend that the Reserve Bank may use their good offices with the banks and where necessary use their legal powers under section 21 (2) of the Banking companies Act so that the levy is discontinued. Bank advances however constitute only a very small percentage of total working capital employed by rubber producers.

3. Rubber dealers also advance money to producers. The loans granted by rubber dealers to rubber growers are chiefly to growers below 100 acres. Figures have been furnished by the various rubber dealers who were addressed in this matter by the Rubber Board at our request showing the loans advanced by them to growers (Table LII). In 1951-'52, 267 growers were advanced loans aggregating to Rs. 4.9 lakhs by 13 dealers. In 1952-53, the same number of growers were given a loan of Rs. 3.5 lakhs. In 1953-1954, the total number of growers taking loans was 335 and the amount of the loan was Rs. 3.7 lakhs. Of the number of growers taking loans the largest was in the group of 25 acres and below. The number of growers taking loans in the group of 100 acres and above was relatively small. The dealers charged an interest which though nominal in some cases, generally varied between 2 and 6%. Sometimes, the rates were as high as 9 to 12%. They also collected in addition to the interest, as commission on the sales proceeds. One planter has stated

Rubber dealers' role as financiers.

"Dealers charge 9 to 12%. They usually charge their usual selling commission which may be 1% more or less according to volume of business offered".

4. Rubber is produced almost throughout the year and therefore growers are in a position to replenish themselves with funds by delivery of stocks to dealers or manufacturers. Finance for current cultivation needs does not constitute normally a problem for most planters. But there are certain periods when difficulties are experienced for working capital because the off-take of rubber by consumers is inordinately delayed. The Rubber Board stated in their evidence :—

"The difficulty in obtaining funds is usually felt at the time of seasonal accumulation of stocks during the months of November to February when the production is high and the off-take is either low or not in proportion to the increased rate of production. The Banks are generally unwilling to advance loans on rubber stocks due to the fact that they are liable to deterioration and consequent degrading."

In general, it was stated that provided the rubber manufacturers make their purchases steadily, and stocks are not allowed to stagnate with growers, working capital will not prove a difficult problem for most planters. Situations have arisen in the past when owing to abnormal accumulation of stocks, producers found themselves in serious financial distress. Measures to prevent such stock accumulation are discussed in the chapter on Marketing.

5. From the evidence before us, we observe that most of the companies and the larger proprietary concerns have generally no difficulties in obtaining short term finance. Certain difficulties have, however, been expressed by a section of the smaller companies and proprietary concerns as stated in the evidence quoted earlier. The financial difficulties of this section of the Industry, can only be removed by the State Bank providing finance in an abundant measure to the producers. With the opening of the branches of the State Bank in the rural areas, and the consequent development of more abundant credit facilities and with the development of the co-operative credit institutions recommended by us in a later chapter, we expect that the difficulties of the rubber companies and proprietary concerns in obtaining short term loans should largely disappear. The State Bank should also offer the facilities of extending the period of short-term loans by renewals when the former could not be repaid in time due to unforeseen circumstances.

State Bank should finance rubber producers.

Note -Tables are given at the end of the chapter.

6. In our questionnaire, we had asked the estates to furnish their estimates of future financial requirements of a capital nature. The replies to the relevant questions have been received from 23 companies/concerns covering 19,408 acres. These replies relate to a limited area and all the details for each of these cônccrns are not available. However, the analysis based on these replies is given in Annexure XIX. It shows that the estimates of long-term requirements range generally between Rs. 400 and Rs. 700 per acre for companies and between Rs. 500 and Rs. 1,500 for proprietary concerns. From the details furnished it is observed that a great part of this capital expenditure is for replanting, though many concerns do not show any specific figure for replanting. Other needs mentioned are improvements to building and machinery, labour-housing etc. Since this expenditure has been estimated on the basis of a phased programme of five years, the average yearly expenditure would be about Rs. 98 per acre for the company sector and Rs. 160 for the proprietary estates. They have, however, given no indications of the amounts they expected to find from their own resources and the amounts they would need to raise outside.

Long-term financial needs of Rubber Industry analysis of estimates received.

We have discussed in detail the problem of long-term financial requirements for rubber companies in the Chapter on "Expansion and Development".

TABLE L

Table showing estimated requirements of working capital as worked out from cost of production figures per acre

(In Rs.)

Type of Management	Cost per 100 lbs. 1953	Cost per 350 lbs. (per acre)	Estimated requirements of working capital per acre (1/3 of col. 3)
1	2	3	4
Sterling Companies	81.60	285.60	95.20
Rupee Companies			
Under Non-Indian Managing Agents.	73.60	257.60	85.86
Under Indian Managing Agents	72.60	253.10	84.36
Director-Controlled Public Limited companies Indian	94.30	330.05	110.01
Proprietary and Partnership Concerns-Indian.	61.40	214.90	71.63
Average	79·13	276.95	92·31

Source: Returns from estates

TABLE LI

Consolidated statement showing loans granted by banks for rubber hypothecated to them by producers.

Season	Amounts granted as loans to rubber producers and number of producers taking loans								Rates of interest and commission, if any	
	25 acres and below		Above 25 acres & below 100 acres.		100 acres and above		Total			
	No.	Amounts (Rs.)	No.	Amounts (Rs.)	No.	Amounts (Rs.)	No.	Amounts (Rs.)	Rates of Interest	Rates of Commission
1	2	3	4	5	6	7	8	9	10	11
1951-52	9	21,305	9	1,38,000	11	8,35,928	29	9,95,233		
1952-53	9	21,120	13	1,69,329	15	10,27,535	37	12,17,984	$4\frac{1}{2}$% to 12%	* 2as. percent
1953-54	10	23,933	17	2,02,515	17	10,42,505	44	12,68,953		

* In respect of one bank
Source—Reserve Bank

TABLE LII.

Table showing the amount of loans advanced by rubber dealers to growers.

(Figures in cols. 3, 5, 7, 9 & 10 in Rs.)

Year	Amount granted as loans to growers holding.								Interest and commission	Percentage of cols. 10 to 9.
	25 acres and below.		25-100 acres.		100 acres and above.		Total			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount		
1	2	3	4	5	6	7	8	9	10	11
1951-52	158	1,34,971	86	1,70,738	23	1,84,196	267	4,89,905	14,878	3.04
1952-53	148	1,19,836	102	1,61,989	17	73,615	267	3,55,440	14,476	4.07
1953-54	204	1,38,636	115	1,91,734	14	39,562	335	3,69,932	16,645	4.50
Average	170	1,31,148	101	1,74,820	18	99,124	289	4,05,092	15,333	3.79

Source :—Rubber Board.

TABLE LIII

Table showing working funds per acre during the years 1939, 1946 and 1953.

Type of ownership/management	Area in acres.	Working funds per acre (In Rs.)		
		1939	1946	1953
1	2	3	4	5
Sterling companies :	25,982	147.24	161.70	312.21
Rupee Companies :				
Under Non-Indian Managing Agents Control. Non-Indian.	502	−161.95	227.87	406.50
Partly Non-Indian.	6,231	77.93	237.34	263.43
Under Indian Managing Agents Control. Indian.	2,678	16.22	48.12	143.76
Outside Managing Agents Control. Public Ltd. Indian.	4,702	98.68	122.61	143.34
Total.	40,095	119.78	174.23	299.39

CHAPTER X

Expansion and Development of natural rubber

SECTION A

The serious problem facing the rubber industry is the competition from the synthetic. Even if all units in the plantation industry are sound, their resources adequate, and full financial assistance is offered by the Government, the problem remains whether the rubber plantation industry will be able to stand competition with the synthetic. Varying views are held regarding the future of natural rubber. One view is that natural rubber may die as indigo plantations died after the development of synthetic dyes. Another view is that, as synthetic rubber has not sufficiently expanded to meet all the demand and its present price is not so low as to make it impossible for natural rubber to compete, natural rubber has certainly its place for some time to come. In India, the Government have now under consideration a proposal to establish a synthetic rubber plant. The fact that Government have on hand such a scheme, would itself cause nervousness among natural rubber producers and make them hesitant in launching on further investment in plantation rubber. It is to be noted, however, that our production of rubber is not equal to the requirements of our manufacturing industries and the gap between production and consumption is rapidly widening. The synthetic rubber unit when it goes into production would cover only part of this widening gulf between production and consumption. The scheme of production of synthetic rubber has to be co-ordinated with that of natural rubber so that rubber growers may have no cause for dismay. We feel, therefore, that Government should make a clear statement of policy about rubber development to remove the apprehensions of rubber growers.

The problem stated.

2. With the threat of formidable competition from the synthetic, the plantation industry's hope lies in reducing by all possible means the cost of production to the minimum. Cost of production will substantially go down if high-yielding clones and seedlings are planted. With greater yields from each tree, tapping wages based on the number of trees tapped will become reduced. Any scheme of replanting with high-yielding planting material has therefore great possibilities of reducing costs.

Reduction of costs—how to be achieved.

According to the Tariff Board report 1951:

"On the assumption that there would be no significant rise in the main elements of cost, an increase in the average yield from 350 lbs., to 750 lbs., per acre, should bring down the cost to about half the present figure i. e., to about Rs. 64 per 100 lbs."

This report concluded that:—

"When the industry will have been completely rehabilitated during a period of 15 or 16 years, it should be possible for it to achieve a cost of about Rs. 64 per 100 lbs."

3. Estates having an annual replanting programme have many advantages over those which take to spasmodic replanting. Reduction in expenditure on old trees to be uprooted is possible by proper planning. Slaughter-tapping of trees which are due for uprooting could be planned and the maximum yield obtained. Such estates will be able to have trained labour for replanting as a matter of routine. Lastly, by phasing replanting suitably they will be able to maintain and improve their overall yield.

Advantages of planned replanting.

4. Any scheme of replanting from the point of view of increasing the yields should provide for replacement of low-yielding trees. Informed opinion among rubber producers is that it is more costly to maintain aged trees which yield less than to replant (Planters' Bulletin of the Rubber Research Institute of Malaya No. 8)

"There is a clear advantage in replanting old rubber trees as opposed to manuring them, in that after approximately 15 years the capital expenditure involved in obtaining a new stand of high yielding trees will have been completely recovered. Old age will inevitably reduce performance, whether human or botanical specimens are being considered and an old rubber tree must deteriorate and show some reduction in yielding capacity irrespective of maintenance treatment."

The Development Committee also said:—

"The present standard of yield per acre of old unselected rubber cannot be increased in any appreciable degree by adopting improved scientific methods of cultivation alone. The solution lies in their replacement by high-yielding strains and adoption of improved methods of cultivation."

Renewal of old rubber trees alone will not bring down costs of production. The area of the low-yielding trees other than the old rubber area was a greater problem. And this area was largest under small holdings than under estates. Estimates of replanting by the Rubber Board, the Development Committee and the Tariff Board have therefore taken account of the low-yielding area to be replanted inclusive of aged trees.

SECTION B

Estimate of area to be replanted.

Keeping the points mentioned in the previous section in view, we shall make an estimate of the area that should be replanted and the new area that should be brought under rubber.

2. The demand for rubber in India has been estimated by the Association of Rubber Manufacturers in India to rise up to 45,000 tons in 1961 i. e. 21,000 tons more than the existing production of 24,000 tons. According to them the demand is likely to increase to 85,000 tons by 1971. The Planning Commission's estimate of consumption is 40,000 tons by 1961 or roughly 16,000 tons more than the existing production. The following table shows the trend in production and consumption:

TABLE LIV

Table showing figures of production and consumption of rubber in India during the years 1948-1955

(Figures in cols. 2 to 5 are in tons.)

Year	Production	Consumption	Lowest stock at the end of a month with estates & dealers out of (2)	Imports of raw rubber included in the figures in col. 3
1	2	3	4	5
1948	15,422	19,719	2,686	4,333
1949	15,587	19,192	3,635	2,767
1950	15,599	17,735	2,812	1,082
1951	17,148	22,427	4,471	6,921
1952	19,863	21,061	3,289	3,851
1953	21,136	22,373	4,691	272
1954	21,493	25,487	2,443	3,371
1955	22,481	27,543	N. A.	3,839

Source:—Rubber Board.

Production has not so far been able to catch up with the demand. Between 1950 and 1955 production rose by 6,882 tons while consumption rose by 9,808 tons. In coming years demand is expected to increase still further. Based on the figures of consumption for the past 5 years, an attempt has been made to estimate the probable consumption in 1960 as shown in the accompanying graph. It will be seen that if consumption proceeds at the rate at which it has increased in the past few years, the consumption would be 40,000 tons in 1960 and 65,000 tons in 1970. During the second Five-Year Plan period the Rubber manufacturing Industry estimate the total requirement between 40,000 and 50,000 tons of raw rubber including reclaimed rubber and synthetic rubber. These estimates show that demand is expected to increase more than at the present rate.

Production plans of the Development Committee

3. A number of production plans have been submitted by various bodies to Government for replanting and new planting with high-yielding planting material and thus reducing costs. In 1949 the Rubber Board submitted a scheme for the approval of Government. It envisaged replanting of 80,000 acres in 12 years. The Development Committee appointed by the Government of India in 1950 recommended replanting of 1,20,000 acres in 16 years commencing from 1952. The Tariff Board said in their report on "price for raw rubber and protection and assistance to the rubber plantation industry" that 'the proposals made under the scheme are well-conceived' and recommended that the Indian Council of Agricultural Research should examine it. The agricultural branch of the Indian Council of Agricultural Research said after examination that "the development scheme is a good one and may be approved."

4. The estimate of the Development Committee is as follows:—

	Estates	Small holdings	Total
Area (In acres) with trees of ordinary low-yielding rubber.	74,743*	63,429	1,37,902
Deduct 10% as unsuitable areas.	7,447	6,342	13,789
Area to be replanted**	67,000	53,000	1,20,000*

*The estimate of the area of rubber trees of ordinary low yielding rubber as on 31/12/1954 amounted to 69,701 acres for estates and 67,482 acres for holdings and a total of 1,37,183 acres.

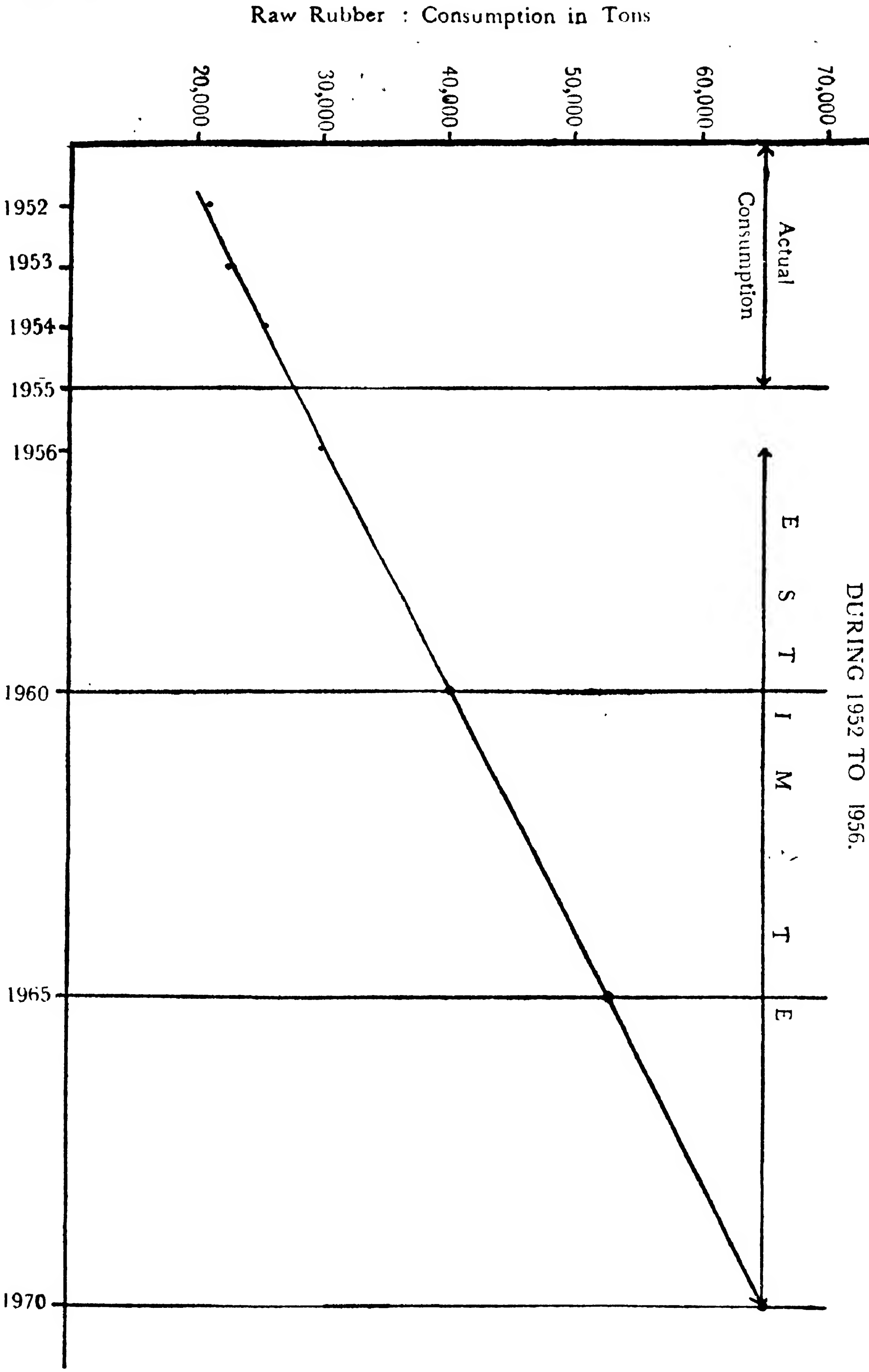
**to be nearest thousand.

The estimate provided for a 15 year scheme of replanting at the rate of 8,000 acres each year commencing from 1952 and ending in 1967. The committee further recommended that new planting in jungle reserves should be undertaken during the first 5 years in an area of 10,000 acres, at the rate of 2,000 acres per year. The main feature of the scheme was that it took account of loss in production in consequence of uprooting of old trees and therefore it recommended new planting to be undertaken at the same time so as to cover such loss.

Rubber Board's views.

5. The Rubber Board has said in its evidence : "At the rate of replanting and new-planting which have been carried out in recent years, indigenous production might not catch up at all with internal consumption. If a suitable scheme of replanting at the rate of 7,000 to 8,000 acres per annum is undertaken, we might reach self-sufficiency in this raw material in about 20 years from now. Expansion of production by extension of rubber areas might shorten the interval by a few years. Reckoning that the rate of internal consumption would be doubled say to over 52,000 tons during the next 20 years we can obtain this quantity from about 2,00,000 acres of high-yielding replanted and new-planted rubber areas with little or no surplus for export".

Facing p.p. 74



ESTIMATE OF RATE OF CONSUMPTION OF RUBBER BASED ON ACTUAL CONSUMPTION DURING 1952 TO 1956.

The views of the Rubber Board indicate that the rate of replanting and new-planting carried out in recent years would not meet the demands of internal consumption, and therefore extension of new-planting was urgently called for.

6. Elsewhere in the annexure XX is given the age group of planted area in reporting estates. The replies received cover an area of 48,009 acres. Excluding 20,000 acres of a single company, the remaining area of about 28,000 acres forms 35% of the total estate area of 80,000 acres (i. e. exclusive of the 20,000 acres of one company). Not much is gained by applying the results of this study to the total area under estates to find out the area of aged trees when actual figures of trees according to age are available in the Rubber Board. Our figures, however, are useful in showing, management-wise, the need for variations in fixing the individual limit of replanting by priorities and for a phased programme for renewing trees of different ages. The percentage of trees aged between 46 and 56 years covered 26 to 28% of the area in the case of reporting Indian companies while it was 10% for Rupee companies under Non-Indian managing agencies and 17% for Sterling companies.

Our figures of aged trees.

7. In the group of trees aged between 36 and 46 years, the percentage was about 22 to 25% for all types of managements except companies under Non-Indian managing agencies which show 43%.

8. The age group study points to the need for priority for uprooting of the older trees in any programme of replanting. The study has also a value in pointing out the need for a phased programme. While an immediate programme requires these two age groups to be tackled first, trees planted between 1920 and 1930 will come up for replanting, in the next 10 or 14 years. This area formed about 16% for Sterling and about 10% for other major groups. If the areas under trees aged between 46 and 56 years and between 36 and 46 years are included, the percentage of old area that would need replanting would amount to 40.31 for Sterling, 53.07 for Rupee companies under Non-Indian managing agencies, 53.85 for companies under Indian managing agencies, and 48.06 for Indian Proprietary and Partnership concerns.

9. Case studies (Vide Annexure XXI) showed that the number of companies having maximum area under trees aged between 46 and 56 years was the greatest in the Rupee Non-Indian section. Out of 7 Indian companies, 4 companies, had trees more than 46 years old. The situation is similar in the group having area under trees aged between 36 and 46 years; only 6 out of 11 Indian proprietary and partnership concerns fall under this group.

10. Taking the total area of these two groups of trees aged between 36 and 56 years the following was the distribution.

TABLE LV.

Table showing distribution of companies (management-wise) having trees aged between 36 and 56 years.

Type of companies	No. of companies having a percentage of				
	Between 50&100	Between 33&50.	Between 10&33.	Less than 10.	Nil.
1	2	3	4	5	6
Sterling companies & Rupee Non-Indian companies.	4	3	2	...	...
Indian companies under Managing Agents.	3	2	1	...	1
Proprietary and Partnership-Indian.	8	...	1	...	4
Director Controlled-Public Ltd. and Private Ltd. Indian.	...	2	...	...	2
Total.	15	7	4	...	7

11. The Rubber Board's figures given below give an idea of the area to be replanted under aged trees and low-yielding trees.

TABLE LVI.

Total acreage under rubber indicating the different ages of rubber trees on estates and holdings as on 31-12-1955.

	Estates (of & above 100 acres).	Estates & holdings (below 100 acres).	Total.
1	2	3	4
(i) Total area as on 31-12-1955.	105,093	102,147	207,240
(ii) Area older than 30 years.	54,720	16,759	71,479
(iii) Areas with trees aged 30 years and less but low-yielding material.	14,805	77,576	92,381
Total of (ii) and (iii)	69,525	94,335	163,860

Making a broad estimate, the Rubber Board said as follows in their recent pamphlet on replanting.

"Nearly 80% of our 2 lakhs of acres is under unselected low-yielding strains of rubber planted from 1902 onwards. More than half the trees in this area have outlived their economic life."

12. If the objective is to replace the existing area of low yielding trees by high-yielding trees we should plan to replant 1.64 lakh acres out of 2.07 lakhs of total acreage. But production should be related to demand, and the amount of synthetic rubber expected to be produced in the country. If we estimate the demand for the next ten years till 1965, the extra production that will be needed will be about 20,000 tons which can be produced from 1·2 lakh acres of high yielding rubber on the assumption of an yield of 800 lbs. per acre. The minimum area that should be brought under high-yielding rubber may, therefore, be fixed at 1.2 lakhs of acres.

13. A scheme of replanting with better yielding seedlings meant an initial loss in production. Old trees have to be uprooted. There will be little yield till the 7th year and thereafter it is estimated as 300 lbs., 500 lbs., 680 lbs., and 800 lbs. per acre respectively for the succeeding years when they came into full bearing. A certain amount of new planting will be necessary to meet the loss in production. Further certain estates may need extension by new planting. Small holders too should be helped to own at least a minimum of 4 acres which is considered the minimum unit for a single tapper. Some estates will need substitute acreage as now planting owing to unsuitability of lands for replanting. Some may need extension. At present Government have sanctioned a scheme of 70,000 acres to be replanted with high-yielding rubber within a period of ten years. We recommend that this target should be reached within a period of 7 years instead of 10 years. We further recommend that an area of 50,000 acres should also be set apart for new planting with high-yielding trees. This will bring a total of 1.2 lakh acres under high-yielding rubber. This area should be allocated to small growers and estates in an equitable proportion. Even though there is a greater area of low yielding trees to be replanted by small holders, and a higher proportion should therefore be granted to them, their capacity for replanting has also to be considered. The sanc-

tioned area of 70,000 acres of replanting may therefore be allotted as 35,000 for estates over 50 acres and 35,000 for small growers holding 50 acres and less. In a similar manner the new planting area of 50,000 acres may be divided as half and half for each of the groups.

SECTION C.

Review of certain aspects of working of the industry.

We shall now study certain aspects of the working of the industry in order to understand its capacity to carry out this programme of replanting and new planting. In doing so, we have also at the appropriate places made our proposals for strengthening them to undertake this programme. The Rubber Board itself has expressed the inability of the industry to catch up with the demand in the following words:

"At the rate of replanting and new-planting which have been carried out in recent years indigenous production might not catch up at all with the internal consumption."

2. The magnitude of the problem would be apparent from the following three extracts about the condition of trees from the report of the Tariff Board in 1951 :

Describing the age of trees the Tariff Commission report said in 1951 :—
"The plantations in India are mostly very old and they are all of the old seedling type which do not have the peculiar high-yielding characteristic. Only about 14% of the cultivation is covered by budded clones and a high percentage of them have not yet come to the tapping stage."

The Tariff Board report 1951 again said regarding manuring of old trees:—

"Old rubber was not less than 85% of the area in 1950. It is not generally manured as increased yield is not visible from such trees in consequence of manuring. The area of newly planted rubber in an yielding estate which would respond to manuring was calculated as only 15% of total rubber area."

The Tariff Board report also said :—
"In some rubber estates 10 to 15% of the old rubber trees have ceased to yield latex. This would indicate that the remaining trees which have been planted in the same period may become non-yielding in the course of another two to four years. These estates will have to undertake complete rehabilitation within a very short period."

Commenting on the results of maintaining aged trees the report concluded:—

"Many of the plantations are old and their average yields have gone down considerably. Though some of these estates have replanted to some extent, the benefits of such replanting have not so far significantly affected total production."

3. As a result of inadequate replanting, despite increase in the area of high yielding trees, increase in production has been little. The report of the Commission on the revision of prices of raw rubber in 1952 referred to inadequacy of replanting as compared to the increase in the area of old rubber as follows :—

"Another factor partly responsible for the fall (in production) was stated to be that every year the area of very old rubber which is ripe or over-ripe for replanting goes on increasing; and it was not possible for the industry to prevent an increase in the area under old rubber trees."

A case study of the relation of mature and immature rubber area in 1953 in certain companies showed that in the case of some units there are no immature acreages while in some others the immature acreage is much less than 21%. (Vide Annexure XXII). A garden should normally have 21%. under immature rubber on the assumption that an area of 3% is planted every year to renew old trees.

The statement given in Annexure XXIII will show that out of total plantings from 1939 to 1955 by both estates and holdings, 88% was contributed by new-plantings and only 12% by replanting.

4. Deterioration in rubber trees has also been brought about by intensive tapping during the war. It was represented that :—

"Rubber planters had to take to intense tapping, nay even to slaughter tapping to extract maximum quantity of rubber to meet war emergencies. Then the government had given firm hope to the rubber growers by the commitment of compensating the loss incurred thus but after the war our Congress Government came into power and no compensation was awarded."

5. Poor cultural practices were also a factor responsible for low yields. While cultural practices were very advanced in some estates, many required stimulation and financial assistance to adopt them. The report of the Tariff Board said in 1951 that:—

"With the exception of a few well-managed estates and small holdings the general maintenance of rubber plantations in India is not satisfactory."

The Development Committee report observed as follows about cultural practices and costs :—

"With the exception of well-managed estates and very few small holdings, little or no attention seems to have been paid for soil conservation and improvement after planting with rubber. All the top soil in these cases has been washed away. Consequently the trees are stunted and bark renewal very poor ; yields of rubber in such areas should therefore be very poor."

"To reduce the Indian costs of production of rubber to a standard which would bear reasonable comparison with that of the major rubber producing countries in the East, economics have to be effected even in the smallest items of the expenditure."

"The low output per tapper may be remedied by planting trees on contour platforms instead of in straight lines which even though may entail a slightly higher cost of planting, will be more than compensated in working costs of tapping spraying etc., in course of time. There is no reason why the average tapper in India cannot complete tapping 250 trees on the steeper older areas with an uneven stand of about 80 trees per acre and 300 trees on the less steepy more closely planted area. Adoption of more intensive systems of tapping in suitable areas of mature rubber particularly the older seedling trees should prove more economic than the alternative daily system."

Large modern coagulating tanks are rarely used. Modern smoke houses in Malaya are cheaper in construction. Considerable saving in labour and firewood may be effected by adopting these modern methods. Earnest efforts to adopt as many of them as possible should be made in order to reduce the present level of high costs of production."

(Note :— The UPASI and a large Managing Agency company said in their evidence that "South Indian estates cannot at present compete in world markets determined by a competitive cost of production.")

6. The present plight of the industry may be attributed to the policy of price guarantee since 1943 which was unaccompanied by a regulation of production techniques and profit allocations. It paid the producer to keep even the oldest trees despite their poor yields. One consequence of price regulation has been the continuance of some companies and proprietary concerns with low production and high costs. Absence of free competition among the producers retained inefficient, low-yielding, and high cost units. Tariff Board Report of 1951 said that with the replanting of high yielding seedlings the cost would be brought down from Rs. 128 to Rs. 64 and

Review of efficiency needed.

"When such a position would have been reached, the industry should be able to carry on without the protection or the state assistance or with only a nominal amount of protection or assistance."

In our chapter on costs we have referred to high general charges, increased tapping charges, and low expenditure on cultural practices such as pest, control measures. As government have sheltered the Industry by restricting imports and fixing a price, it becomes necessary that the standards of estate-maintenance production costs and distribution of profits should be reviewed from time to time so that it may be ensured that inefficient and uneconomic practices are not allowed to be continued in the industry. For this purpose the development staff of the Rubber Board should be vested with power to inspect estates and to issue directives for their proper maintenance and upkeep as suggested in a later paragraph.

7. We have suggested in our report on Tea that dividends might be reduced by 50% in order to increase the internal resources for replanting and meeting costs of labour welfare. We have similarly recommended in the report on coffee that dividends and managing agency commission should be reduced. These recommendations also apply to Rubber. The following is the return per acre for the last four years, amount distributed as dividends per acre, and managing agency commission per acre in respect of 23 Indian companies and 4 Non-Indian companies.

Need for reduction in dividends and managing agency commission.

	No. of Cos.	Returns per acre (in Rs.)	Dividend per acre.	Managing Agency commission per acre
Indian	23	204	85	16
Non-Indian	4	185	100	9

These averages do not show high dividends and managing agency commission but case studies indicate figures on the high side. (See chapter on 'Profits'). Since the need for funds to carry out replanting is urgent, we recommend that dividends and managing agency commission should be reduced in those companies where they are on the high side.

8. The Commission's recommendations in order to improve efficiency and to bring down administrative costs made in respect of Tea and Coffee in paragraphs 8 to 13 of Chapter XIX and paragraph 7 of Chapter XVIII of the reports on Tea and Coffee respectively have an equal application to Rubber.

Need for measures to bring down administrative costs.

9. We shall now examine the provision for replanting made in the price sanctioned for the producer and how far it has been utilised for this purpose. In 1944 a bonus was sanctioned at 2 pence per lb. for the duration of the war. In 1945 the price of rubber was fixed at Rs. 100 per 100 lbs. In the beginning of 1946 the price was reduced to Rs. 77-5-0 per 100 lbs. In April 1946 the price was however increased to Rs. 87-1-0 per 100 lbs.

Replanting grant how far used.

"With a proviso that the increase of Rs. 10 per 100 lbs. should be used for replanting." (Tariff Board Report 1951 p.23).

Since then the price for rubber notified by Government from time to time has always contained an element to cover replanting costs. In 1948 this was calculated as Rs. 6.25 per 100 lbs. by the Government Cost Accountant. The following were the price increases since 1-11-1948.

Period		*Price in Rs. per 100 lbs.*
November 1948 to May 1949	...	Rs. 90- 8-0
June 1949 to February 1951	...	Rs. 89- 8-0
March 1951 to May 1951	...	Rs. 122- 8-0
June 1951 to October 1952	...	Rs. 128- 0-0
November 1952 to January 1955	...	Rs. 138- 0-0
February 1955 to August 1955	...	Rs. 150- 0-0
Since August 1955	...	Rs. 155-12-0

With the introduction of Agricultural Income-tax in T. C. State (where most of the rubber areas are situated) the replanting allowance of Rs. 6.25 became reduced to about Rs. 4. The Indian Triff Board in their enquiry in 1951 determined the depreciation allowance for rehabilitation of rubber trees at Rs. 4.44 per 100 lbs., and to provide for taxation a sum of Rs. 2.38 per 100 lbs., was added to this. The depreciation allowance allowed by them thus totalled to Rs. 6.82 per 100 lbs. Taking the rehabilitation allowance at Rs. 4.44 per 100 lbs., it works out to an annual sum of Rs. 15 lakhs for all estates over 100 acres on the basis of an yield of 350 lbs. per acre. At an average cost of replanting of Rs. 750 per acre then estimated by the Tariff Board this amount would have been enough to replant annually about 2,000 acres but the total replanting in these years had been much less as shown below :—

Year		*Area replanted in acres.*
1948	...	636
1949	...	310
1950	...	1,102
1951	...	656
1952	...	836
1953	...	668
1954	...	704
1955	...	35

10. These facts show that the amount included in the price as rehabilitation allowance has not been fully used by the industry for that purpose. Some members of the Rubber Board too were sceptical of the proper use of the provision for rehabilitation by estates (Vide opinions expressed at the 15th meeting of the Board on 27-4-1953).

11. The Rubber Manufacturers' Association after reviewing the poor progress of new planting and replanting said in May 1955 in its Bulletin as follows:—

"If anything is to be done it must be done quickly and though one would prefer to see private enterprise assuming responsibility for the control of replanting and new planting, the industry in India is not sufficiently highly organised to assume such control nor enforce wise planting by small holders. Some Government control is necessary to see that the money is well-spent."

Government control over the replanting grant

12. Though Government's intention was that the replanting allowance included in the price for rubber should be used for the purpose, nothing practical appears to have been done to ensure that the planters carried out this objective. The Ministry of Commerce & Industry in their resolution dated 25th August 1951 said as follows regarding this:—

"The Indian Council of Agricultural Research should, while examinig the development scheme, also consider the proposal for the creation of a separate development fund. Pending the examination of this matter by the Indian Council of Agricultural Research and the consideration of the Council's recommendations in this behalf by Government, the Rubber producers should be allowed to retain the element (Rs. 6.82 per 100 lbs.) provided for rehabilitation in the present price of rubber and be given an opportunity to undertake rehabilitation work in their estates and holdings. If it is found at the end of the year that the rubber growers are not utilising the amount for rehabilitation of their estates and holdings, the Government should consider the question whether the fair selling price to be paid to the rubber growers should not be reduced by the amount of the rehabilitation fund element. The attention of the industry is invited to this recommendation."

If action was to be taken on these recommendations, the Rubber Board should have maintained, a record of amounts with each estate for replanting, the amount spent for replanting, and the area replanted. Then alone would Government have been in a position to decide whether this increase in price to cover rehabilitation should be continued. No such action seems to have been taken till now. While the evidence mentioned earlier goes to show that the allowance for replanting was not utilised in full by the Industry. The Industry does not also appear to have built up a depreciation fund out of the amounts made available in price structure.

13. The extracts of evidence given below throws light on the financial aspects of replanting and new planting :

"It is also not possible to raise such funds from the the investment market since no investor can see any adequate return for his investment.

Ignoring the fact that for the nine years of immaturity the investor loses Rs. 1,350 by loss of crop from the area replanted, he can see only an average yield of 500 lbs. per acre or a profit of Rs. 250 per acre. No investor will look beyond 25 years for his investment. If he does, he will turn to gilt-edged securities.

This 25-year investment therefore brings him.

		Return
1.	9 years immaturity	Nil
2.	16 years @ Rs, 250	Rs. 4,000
	Less tax @ $33\frac{1}{3}$ %.	Rs. 1,333
		Rs. 2,667
	Less amortisation @ Rs. 50 per acre per annum.	Rs. 800
		Rs. 1,867

Rs. 74.6 per year =5%.

At the end of a long wait and with the risk of losing his capital no investor would consider this an incentive to invest." (UPASI).

"The replanting of the estate has to be undertaken. The financial requirements for replanting the 200 acres would be more than 2 lakhs of rupees. The idea of replanting is under consideration but high tapping costs, special problems of this estate, labour uncertainties and conditions of uncertainty of future land policies regarding plantations, high agricultural income taxes which are being gradually increased, uncertainty about the future prices of rubber are all there. One has to look ahead ten years, a peculiar thing in the planting industry. We beg to suggest the opening of a plantation mortgage banks on the lines of the land mortgage banks to provide long term credit, repay-

able in twenty years, repayment to begin after ten years. Interest for the first ten years also should be collected only after the ten years period, in instalments".

"The controlled prices of rubber in recent years related to the profit per lb. and per acre on the company's rubber, and to the need for reserves, replanting, amortisation etc., do not encourage expenditure upon planting any substantial new areas or replanting any substantial portions of the existing areas beyond the extensive replanting now in progress."

"The scheme should be for the extension of rubber cultivation on an area of one lakh acres spread over a period of 10 years. In order to encourage the producers to do this, a long term loan of Rs. 750 per acre should be granted. It should be free of interest for the first seven years and repayble with a nominal interest in 15 equal half-yearly instalments beginning from the 8th year of its payment. The scheme should be put into operation as early as possible." (Combined meeting of the planting committee and the small holdings Development Committee of the Rubber Board on 21st February 1956).

"For replanting and other capital expenses money should be advanced by state-sponsored credit institutions at low interest."

"We would suggest long-term agricultural loans from Government for capital improvement at low rates of interest on the security of properties and for working capital, advances on the security of crop and other movable articles of the estates."

"The Government to give loans on security of land at a normal rate of interest and a long-term period for repayment. Interest at 4½% and period of repayment to be 20 to 30 years.

Alternately, the Government may substantially subsidise the development of the industry."

"Funds may be made available to those planters who require at low rate of interest from Government or quasi-government banks on long term arrangement to repay."

"Advancing money through the Industrial Finance Corporations."

14. Our own figures of the area to be replanted and the available working funds (Vide Annexure XXI) indicate that not all companies have adequate funds to meet their replanting needs. The estates will need loans to supplement the rehabilitation grant if a rapid programme of replanting is to proceed smoothly. In addition, the estates will also need long-term loans for buildings, plant and machinery. The extracts of evidence on this subject are given below:—

(a) In so far as generally and during the major portion of the year the existing machinery is capable of coping with the manufacture of total crops within a reasonable time, the existing facilities are generally adequate. It is however a fact that in certain factories and in certain conditions (particularly in periods of rush crops) the standard of manufacture suffers owing to the inadequacy of certain facilities (such as drying space and hot air drying), the inefficiency of old machinery and the insufficient capacity of the factories in general.

(b) For reasons given under (a) a programme has been started and will have to continue for the extension of certain factories (to house new engines on new sites and new machinery) the replacement of old and obsolete machinery; the addition of modern machinery (such as rollers) and equipment (such as hot air

drying schemes) and the general structural improvement of existing factories and necessary buildings (e. g., smoke houses.)

(c) Additional accommodation is required inside the factory for processing rubber latex. Additional machines have to be obtained which are not available immediately within easy reach. The price of new machines is also very high; but negotiations are made to procure new machines.

We recommend that the Industrial Finance Corporations and the Co-operative Land Mortgage Banks of the States in which rubber estates are situated, should meet all these needs.

The State Finance Corporations will have also to provide finance for repayment of past debts in suitable cases. Future financing will be thwarted so long as old debts remained.

While there could be no relief to estates heavily indebted, it should be possible to redeem those having potential repaying capacity by arranging for sale of a portion, adjusting the loans to actual sum of debt and a fair rate of interest, granting instalments of repayments and repaying the creditors. Such cases would need study by the Rubber Board. The State Finance Corporations and the state Co-operative Mortgage Banks should provide long-term finance in the case of estates which would work successfully with a redemption of their debts. If a sympathetic policy is followed by these institutions, the financial needs of the Rubber estates for medium and long-term loans for productive purposes will be largely met.

The State Finance Corporations when considering applications for loans from rubber estates will no doubt need the services of experts for the scrutiny of technical aspects of the applications. For this purpose we suggest that they, in consultation with the Rubber Board, should appoint a panel of experts of standing with specialised knowledge of rubber production. The experts may be persons drawn from the industry or from the expert staff of the Rubber Board.

The Rubber Board should have a Plantation Finance Committee which should keep a close watch on the financial needs of the rubber industry and it should discuss the financial requirements of the rubber industry not only with the State Bank of India and the State Finance Corporations and Co-operative Banks but also with Commercial Banks, and other financing institutions. It may also advise the Government regarding provision of loan finance on easy terms to the rubber growers through one of the existing institutions. If this committee finds as a result of experience of the working of the Finance Corporations and other financial institutions that they are not in a position to meet the long-term needs of the rubber industry, it may make necessary recommendations for the establishment of a new financial institution under the auspices of the Rubber Board.

SECTION D

A Replanting Programme

Regulation of replanting and new planting.

Having stated the problem in rubber as mainly one urgent need for renewal of low-yielding trees by replacing them by high-yieldings seedlings and estimated the present need of replanting as 70,000 acres and new plating as 50,000 acres and having reviewed the condition of the industry and made certain proposals for strengthening it to undertake an accelerated programme of replanting, we shall in this section deal with certain principles of execution of a replanting programme.

2. The first question to consider is whether there should be state regulation of replanting and new planting. The Rubber Board said in its evidence:—

"That the need for regulating expansion might not arise until after a target of a total planted acreage of 2 lakhs of acres is reached and that until the above target is reached the planting of new areas with rubber may be left to the enterprise of growers without restriction."

In fact, the necessity for state regulation has been already established in the previous section on the review of the industry where, among other things, it has been noticed that though financial provision for replanting was specifically included in the price the industry was tardy in the matter of replanting. The broad principles of such a regulation are dealt with in this section. If yields are to be increased costs reduced rubber should not be planted in unsuitable areas. Rubber trees exist in regions of higher elevations in lands where hard laterite, hard pans, and rocks occur within a few feet below the surface of the soil or in exhausted soils subject to soil wash in sloping lands. (cf. Development Committee Report). The Development Committee estimated the area of unsuitable lands as not less than about 10%.

We recommend that the following principles should be observed in regulating and new planting of rubber:—

(i) The provisions in the Rubber Act for licensing replanting or new planting should be rigorously enforced.

(ii) Replanting and new planting should be allowed only in areas suitable for rubber. In permitting new planting, care should be taken to examine unsuitable area under rubber, if any, in the estate concerned, and, in full consultation with the estate-owner, a phased programme of abandonment of such areas should also be prepared. A survey by the Rubber Board may be necessary to mark out areas which are unsuitable for replanting and those which may be suitable for new planting.

(iii) Replanting and new planting should be allowed only with high-yielding planting material approved by the Rubber Board. The Board should for this purpose, arrange to provide good planting material from approved nurseries and seed distributing centres.

(iv) In sanctioning replanting and new planting, the Rubber Board should keep in view the latest developments in the field of synthetic rubber and the estimated demand for rubber.

(v) If the applications for replanting and new planting permits exceed the targets fixed for replanting and new planting, the Rubber Board should, in issuing licenses, give priorities to smaller holdings and smaller estates.

(vi) In issuing licenses for new plantings to existing concerns, due not should be taken regarding the fulfilment of their phased replanting programme, as described in a later paragraph in this section. Further, in sanctioning future expansion, care has to be taken to see that concentration of rubber area is not unduly increased in the hands of a few concerns.

Besides the above principles, it is for the Government of India to consider as to how far it would be desirable to permit expansion of the Non-Indian sector in this strategic and sheltered industry.

Replanting fund approved as early as 1951.

3. Unlike Tea or Coffee, certain principles regarding replanting have been already approved by government in the case of rubber. For more than 10 years, the need has been recognised for provisions for depreciation of the rubber plant, and an element has been added to the price to meet the cost of replanting. Secondly, it has also been recognised that this financial provision for replanting should be invested separately as a development fund. Thirdly, Government have sanctioned recently a subsidy

scheme in which they have definitely stated that the subsidy should be subject to the condition that the provision made in the price structure for replanting in October, 1952 and February 1955 was fully utilised. Our proposals regarding replanting are mainly based on these approved policies.

The Tariff Board and the Government were not sure whether the element of Rs. 6.82 per 100 lbs., provided in the price as an allowance for replanting, in the year 1951, should be funded separately or handed over to the managements. The Tariff Board said in its report that the payment of the rehabilitation amount to estates and holdings was just temporary and should be subject to reconsideration if not spent for the purpose. This transfer was just for the period when the Indian Council of Agricultural Research examined the 'proposal for the creation of a separate development fund'. The Council reported for a separate development fund and its administration by the Rubber Board on 3-12-1951 as follows:—

"The companies will do the replanting themselves and the cost for this work will be given to them from the Development Fund. The only machinery required would be a small staff to check the accounting and claim of each estate which will undertake this work. The rest of the work will be done by the Research Board officials."

This proposal provided (i) for a separate development fund for replanting and not for new planting, (ii) scientific supervision over replanting by officials of the Board and (iii) payment for each estate by an accounting staff. The importance of a replanting provision had, therefore, been recognised as early as 1946 and the need for separately funding it had been recognised as early as 1951.

Mode of investment of replanting fund.

4. The question has been raised, whether in case of default in spending the allocation on replanting, Government should not implement its own resolution of 25-8-1951, which was as follows:—

"Government should consider the question whether the fair selling price to be paid to rubber growers should not be reduced by the amount of the rehabilitation fund element provided in the estimate of fair selling price."

The policy of reducing the price to the extent of the rehabilitation allowance could be thought of only if replanting was a matter to be left to the will of the private planter but since replanting is necessary for the preservation of a national asset, the approach to the problem has to be different. Recently the Government have said that when making subsidies for replanting:—

"The assistance to be given will take into consideration the resources that will be made available by the present increase in prices as well as the increase made in October, 1952."

The subsidy, according to this, should be limited to that portion of expenditure on replanting which could not be covered by these increases in price. In other words, the amount available with each estate as a result of the relevant increase in price should be calculated and the subsidy could only supplement it. If, however, it is found that managements have already distributed the additional profits brought about by the price increase and they have neither internal resources nor borrowing capacity to reimburse the additional price which they had received for replanting but had not used for the purpose, replanting may not proceed smoothly. We, therefore, recommend that the element provided in the price for replanting should be separately funded with Rubber Board to the credit of each estate and withdrawals allowed only for the specific purpose of replanting. This fund may be called the Rubber Replanting fund. The amount standing to the credit of an estate in the Replanting Fund should go with the estate when it is transferred

by sale or otherwise, to be held and used in the same manner. The scheme shall apply in the first instance to all estates and holdings over 15 acres. As regards recovery of the unspent balance of the provision for replanting since October 1952, there are only two ways of doing it. The one is that their existing working funds should be fully used and the second is that financial provision should be made for a replanting programme before declaring dividends or repartriating capital in the future. The recommendations we have made in the later para refer to both these proposals.

A phased replanting programme.

5. A phased programme of replanting for each estate to be implemented over a reasonable period should be drawn up, taking into consideration its internal resources the sum available in the Replanting Fund, and the borrowings possible from the State Finance Corporations. This phased programme of replanting should continue even when estates are transferred. In estimating internal resources, in as much as the present plight of the industry is due largely to distribution of profits in the past without making provision for depreciation of trees even though it was provided for in the sanctioned price, the amount needed for renewing the trees should come from future profits. Maximum use of future profits for a replanting programme before distributing dividends or repartriating profits will therefore be justifiable.

The success of the scheme depended on a proper integration of internal resources with borrowings. We have already made our suggestions regarding provision of financial facilities in an earlier section of this chapter. To implement this programme there should be a development staff to advise and review it. For the phased programme to be successful, fullest co-operation should be sought from the producers by the development staff of the Board in preparing it. Normally it can be expected that producers will co-operate in a scheme of rehabilitation which is necessary in their own interest. However, some legal powers of compulsion may become necessary. As we have stated in our report on Tea the provisions of the British Agricultural Act have a relevance in this connection. Wide powers for investigation and issuing of directives have already been taken by Government in this country under the provisions of section 15 and 16 of the Industries (Development and Regulation) Act as regards industries which come under its schedule. As we have recommended in the case of Tea we recommend that in the case of Rubber also Government should assume legal powers to make investigations and issue such directives as may be found necessary for the proper maintenance of fixed assets including replanting in rubber estates.

A programme of this kind namely a replanting fund invested with the Rubber Board, the preparation of a phased programme of replanting in full consultation with producers which they should carry out, a maximum use of working funds along with borrowings, a control over distribution and repartriation of profits for some years, where necessary, in order to repay borrowings and meet replanting costs in each year, a continuing liability on new buyers to execute the programme, a development staff for advise, penal provisions against defaulters, and resumption of estates under provisions similar to those under the Industries (Development and Regulation) Act reluctantly as an unavoidable last resort will meet the ends of developing the natural rubber industry. Similar principles of a replanting programme have been elaborated in the report of the Malayan mission a summary of which is added as appendix to this chapter.

6. Normally a replanting provision should be 3% of replanting costs

so that an estate will have the necessary funds to replace trees which become uneconomic after a period of 33 years. As replanting costs are estimated as Rs. 1,400 per acre, the annual fund to be set apart for replanting would amount to Rs. 42 per acre. This would work to Rs. 12 per 100 lbs. on an acre yielding 350 lbs. Before February 1955, the replanting allowance in the price structure amounted to Rs. 6.82. In February 1955 the price was increased by Rs. 12 per 100 lbs. partly to meet the increased costs of replanting and partly to meet increased costs of production. In August 1955 Government raised the cess for research and development from 8 as. per 100 lbs. to Rs. 6-4-0 per 100 lbs. and to meet the increased liability, increased also the price by Rs. 5-12-0 per 100 lbs. Under the present rubber replanting scheme, the total amount to be distributed as subsidies to growers' over a ten year period has been estimated as Rs. 225 lakhs or 22.5 lakhs per year. On an annual production of about 22,000 tons this works out to about Rs. 4 per 100 lbs. Since these grants of subsidy are to be met out of the cess fund, it may be taken that a sum of about Rs. 4 per 100 lbs. out of the cess of Rs. 6-4-0 is an amount available for replanting. A system of subsidies from a fund levied from all producers will often result in one producer getting a larger share of the benefit from amounts levied from other producers which is not justifiable especially when most estates are deficient in their own resources to replace their low-yeilding trees by high yielding ones. We propose that the element of Rs. 4 per 100 lbs. out of the cess should also be funded in the Rubber Replanting Fund along with the replanting allowance in the price structure of Rs. 6.82 per 100 lbs. and the sum provided for rehabilitation in the increased of Rs. 12 granted in the price notified in February 1955. i.e. the amount for replanting included in this increase should be calculated and added to the element of Rs. 6.82 already included in the price structure for replanting. Thus our recommendation is that the amount which has been specifically included in the price structure for purposes of replanting as well as the amount in the cess fund which it is proposed to use as replanting subsidy should be put in the Rubber Replanting Fund of each estate in the case of estates and each holding in the case of holdings over 15 acres. With an increase in the area of high yielding trees the "replanting cess" may be reduced from time to time. We also propose that the phased programme of replanting should take due note of the replanting fund available to each estate and enforce maximum replanting by its utilisation. More funds will accure in estates having larger yields. In their case more replanting will have to be insisted on as long as backlogs of replanting are there so that they may fully utilise their funds. The replanting fund proposed for rubber is only an implementation of the proposals made for it as early as 1951. It is intended not merely to cover future needs but also to clear past arrears of replanting. The actual expenditure incurred in replanting even if in excess of the amount which under our proposals will in any case have to be credited, to the Replanting Fund, should be an item of expenditure allowable for purposes of computing agricultural income tax. In an earlier section we have outlined the proposals for assistance in respect of long-term borrowings. Borrowings should be made possible on the security of this Fund.

Estimate of replanting fund.

7. We have stated earlier that in August 1955 the cess on Rubber was increased from Re. 0-8-0 per 100 lbs. to Rs. 6-4-0 per 100 lbs. to meet administrative charges of the Rubber Board, and research and other needs of the industry. This increase of Rs. 5-12-0 was added to the notified price. Difficulties are experienced at present in the collection of cess from innumerable small holders. If, as provided for holders over 15 acres, the element in the price structure for replanting provided by the Tariff Board and in the recent

Collection of the cess.

price increase in August 1955 are to be set apart as a replanting fund, difficulties in the centralised maintenance of a very large number of accounts will further increase. The principle of the replanting fund to be invested outside and to be drawn upon for the specific purpose of replanting should in principle apply to all estates and growers. The administrative difficulty stands in the way of applying this sound principle to growers below 15 acres. We have proposed co-operative organisations to bring together small units. We expect them to come into being as early as possible. When such co-operative organisations develop, they should maintain the replanting fund for individual small holders. During the interval, we may permit the portion of the cess intended to be used for replanting as well as the other elements in the price structure to be retained by this class of small holders. We, therefore, recommend that holders of 15 acres and below should be made liable to pay only that portion of the cess which is intended to cover administrative, research and other expenses of the Rubber Board but not the element which is to cover the replanting subsidy. We propose 15 acres as the limit for collecting the reduced cess because a net income in rubber on the basis of existing returns per acre will need at least this extent of area to maintain a subsistence holder. In the matter of the collection of this reduced cess, if the units were large-sized, the collection of the cess on the basis of production would present no problems. But there are 26,787 units in the industry of which 25,312 are units of 10 acres and below. The Rubber Board have to maintain a large staff to compile production figures and verify them as to their accuracy in order to ensure the full collection of the cess amount. A feasible method from the administrative point of view would be to collect this reduced cess for holders of 15 acres and below on the basis of acreage. Since the yield in the case of small holdings of 15 acres and less may not vary very much, it should be possible for the Rubber Board to devise a suitable formula on the basis of yields for this class of holdings. Evasion of the cess by some holders or excess collection from others are not likely to occur to a serious extent when the average yield does not vary greatly. Such an amount can be easily collected by State Governments along with land revenue and paid to the Rubber Board, after deducting reasonable charges for collection.

SECTION E

The new Replanting Subsidy Scheme.

1. A replanting subsidy scheme has been drawn up by the Rubber Board with the approval of the Central Government in the Ministry of Commerce and Industry. This scheme provides for the grant of subsidy at varying rates for the replanting of rubber in 70,000 acres in 10 years at the rate of 7,000 acres in a year. The area to be replanted in any year may be increased by the Board with the approval of the Central Government. The scheme will be brought into full operation in 1957. The subsidy will be granted on the following slab basis.

A. *Growers of 50 acres and below (small growers).*

(i) First 5 acres.	Rs. 400	per acre
(ii) Over 5 acres and upto and including 10 acres	Rs. 375	,, ,,
(iii) Over 10 acres and upto and including 15 acres	Rs. 350	,, ,,
(iv) Over 15 acres	Rs. 325	,, ,,

B. *Growers above 50 acres*

(i) First 20 acres.	Rs. 300	,, ,,
(ii) Over 20 acres & upto and including 50 acres	Rs. 275	,, ,,
(iii) Over 50 acres	Rs. 250	.. ..

The subsidy will be paid within a period of 7 years from Ist April, 1957 and in instalments, after the completion of the several items of work specified in the Replanting Subsidy Permit to the satisfaction of the Chairman.

2. The following are the conditions relating to the grant of subsidy:—

(i) The minimum area that is intended to be replanted in any year by a small grower shall be either one acre, or if the number of trees is less than sixty in an acre so much area in which sixty trees stand, that area being deemed as one acre for all purposes of the scheme; provided that, if in any area the number of trees in an acre is less than thirty that extent shall not be included in the area to be replanted under the scheme.

(ii) The minimum area that is intended to be replanted by a large grower in any year shall be five acres or 7% of the total area requiring replanting within 10 years whichever is more. In calculating the acreage, the areas not planted or sparsely planted shall be excluded in accordance with the principles laid down in condition (i).

(iii) The maximum area or deemed area that can be replanted in a year by a large grower shall not be more than 20% of the area which requires replanting in his estate within a period of ten years.

The Planting Committee may at its discretion increase the maximum area in any particular case provided the total acreage for which applicants have been accepted shall not exceed the target fixed for the particular year including the balance of the area in the target of the previous years not planted.

(iv) The land that should be replanted in any year shall contain rubber trees not less than 75% of which are more than 30 years old or trees that do not yield more than 300 lbs. to an acre or to a deemed acre.

(v) Replanting shall be done only with such planting materials as have been approved by the Planting Committee and such planting materials shall be obtained from the Board or from other sources approved by the Committee.

(vi) The subsidy will be paid in instalments as shown in the Replanting Subsidy Permit as soon as the operations specified therein have been completed and the Planting Committee is satisfied that such operations have been done in accordance with the specifications given in the permit. It shall be competent for the Committee to decide whether to refuse payment of part or the whole of the amount granted as subsidy, if the work done is not satisfactory.

(vii) Interplanting with crops other than cover crops shall not be done without previous approval of the Planting Committee or in contravention of any of the conditions laid down by it for any interplanting. The Committee shall have due regard to the financial status of the applicant, the lie of land, the fertility of the soil and the effect of the interplanted crop on the rubber crop when considering requests for permission to interplant.

(viii) Tapping shall not be commenced in any replanted area unless in the block selected for tapping not less than 75% of the trees had attained a girth of 20″ at a height of 3′ from the ground level and the Board's Inspecting Officials had certified to that effect.

(ix) The Board shall be competent to recover the entire subsidy from a grantee or his successors in title if conditions (vii and viii) a e violated.

3. The Planting Committee will decide whether subsidy is to be granted to any applicant or not. If it is decided to grant the subsidy, a Replanting Subsidy Permit will be issued by the Chairman and a replanting licence will also be sent along with it to the applicant. The permit contains instructions on how the work of replanting should be done to make the permit holder eligible for the subsiby and indicates the stages of work to be completed to get

part and final payments of the subsidy. The Rubber Instructors will give advice to the permit holders in all matters relating to replanting under this scheme.

4. This scheme marks the first organised attempt at replanting. The proposals for replanting have been already delayed by 5 years since the Development Committee reported. Therefore, the phasing should not be too long.

5. We have estimated that there is need for replanting of 35,000 acres within 7 years (and not 10 years as proposed by the Rubber Board) for estates and holdings of 50 acres and above, and of another 35,000 acres for holdings of less than 50 acres. The holdings are dealt with in a separate section and we concern ourselves here with estates. The subsidy scheme emphasises that it is only 'a measure of assistance' and 'it should bear a proportion to the amount spent by the planter'. But the replanting programme should not be left to the free will of the estates. The Rubber Board in consultation with the producers should draw up a phased programme for each estate and see that it is implemented. In the subsidy scheme it is from the cess collection that the subsidies are planned to be paid. If more is paid to an estate as subsidy than what has been contributed by it, it can only be at the expense of the contribution of another estate. When the subsidy is paid out of the collective fund of the cess paid not only by estates but also by holdings, there is a possibility of the small holdings section which is weak, contributing to the replanting expenditure of estates and this will not be justifiable. When the grant of a subsidy which will be about $\frac{1}{4}$ of the total expenditure is dependent on the producer finding the balance of funds, the result will be that only those who have such resources will be able to take advantage of it. Some of the big units have working funds of their own. A few others who have no such funds are in a position to borrow funds. These will therefore be getting a good part of the subsidy. Some producers, tempted by the windfall of the subsidy may be induced to borrow at high rates of interest. Any scheme of replanting should be an integrated one, pooling own resources and borrowings.

6. One of the conditions in the subsidy scheme for being entitled to a subsidy is that the land to be replanted in any year should contain rubber trees not less than 75% of which are more than 30 years old or trees that do not yield more than 300 lbs. to an acre. This is intended to prevent subsidies going to applicants whose lands did not contain contiguous old or low yielding trees capable of being uprooted in one block. An estate owner who did not have such lands, loses his right for the subsidy. A rigid rule of this kind needs examination whether it would hinder replanting by owners who have given a better account of themselves and reward those whose record of replanting is very poor. The limited character of the scheme is also not in accordance with the needs of replanting. It has been represented that "The scheme is intended to replant only a part of the area which it is desirable to replant." Some may not join it. Some may benefit only partially. The small holders representatives on the Board said of the scheme :—

"Working on these figures it is unlikely that this scheme can meet the estimated requirements of 40,000 tons by 1960."

The scheme does not envisage any subsidy to those holding below 4 acres on the ground that these holdings yield less and thus depress the average yield and production and generally produce inferior rubber and therefore it is better not to encourage the development or increase of such holdings. Further, it is said that the present price has proved an incentive to small growers to keep alive the existing trees as long as possible. This approach towards small growers arises from the fact that the subsidy scheme is not integrated with that of establishing sound units of production in the first instance. Subsidy to big

estates may mean in some cases reward for paying excessive dividends without using it for replanting till now. Subsidy in certain other cases may mean that good estates which have spent their own resources to do some replanting in the past are asked to finance bad estates which have more areas to replant. Refusal of subsidy to uneconomic holders will mean that, instead of utilising the subsidy to make them economic, they have no redemption in the future. Thus the subsidy scheme may give rise to a situation in which blocks of holdings and estates which directly need replanting and which will be included in the 70,000 acres requiring replanting may go without being replanted for want of funds. Subsidy without being properly weighted in favour of the needy, and requiring as it does additional resources to match it will naturally be taken advantage of by big growers. This will result in increasing concentration of area in the hands of a few about which the Second Five-Year Plan has cautioned in the following words :

"Care has to be taken to secure that development does not create further inequalities and widen existing disparties." (page 33).

7. Subsidy to uneconomic and small holders by way of common services as uprooting of old trees, road making and social welfare can be justified and they are dealt within the section on small holders. There should be an exceptionally strong case for granting subsidy. There is no case for a subsidy except for those whose earnings leave no surplus for investment or are inadequate for their maintenance and even in such cases controlled credit over a long-term may be far more useful than a charity grant. The subsidy scheme therefore will have to be revised in the manner detailed in our proposals.

SECTION F

New Planting

The small holder will find it more profitable to new plant instead of replant as it will enable him to maintain the existing income from trees. New planting may be necessary to make uneconomic holdings economic. New planting as a substitute for unsuitable areas in the case of subsistence owners may be justifiable.

2. In the case of estates and the larger holdings, new plantings may be permitted in the case of those who have no arrears of replantings and those who conform to the phased programme of replanting drawn up by the Rubber Board. Certain exceptions may be made in the case of undersized companies which may need their areas to be increased. In the past, new plantings have been on a larger scale compared to replanting, resulting thereby in large areas comprising old rubber. To quote the statement of the Federal Government of Malaya on the Report of the Mudie Mission 1955 :—

"Although in individual cases replanting may not be justified for economical or technical reasons, neither the Government nor the country could afford to see tens of thousands of acres of developed rubber in these areas degenerate into obsolescence. No amount of new planting in new areas however desirable, that may be, could compensate for the appearance of widespread distress in the old established areas of the rubber industry simply due to a failure to replant."

While one is not sure of the future of natural rubber, expansion should be limited to demand and related to the production of synthetic rubber. It will not be therefore wise to permit any new planting without proper regulation. We have already referred to the need for new planting of 25,000 acres by estates to meet the losses in production arising from uprooting old

trees and to meet the increasing demand. The question is to what extent this area may be distributed to existing owners of estates. Generally, estate owners will find it difficult to undertake at the same time both replanting and new planting with their own reasources. But when they are permitted to do so, loans should be made available to them by the state finance corporations for new plantings also. For the purpose of maintaining production at the required level both the new planting and the replanting schemes will have to proceed together. Lands for new planting will have to be approved as suitable. A technical survey will have to be conducted for this purpose. In the allocation of land for new plantings under the various management groups in the industry, we repeat, that care should be taken to see that development does not result in increasing disparities between the several sectors or lead to concentration of production in a few hands.

SECTION G

Labour Relations.

The future development of this Industry depends on proper relations. We have referred to labour conditions in detail in the Tea and Coffee reports. The recommendations in these reports have an equal application to rubber. There are however certain points which need emphasis in relation to rubber. A uniform Minimum Wage is notified for tea, rubber, and coffee by State Governments. This may not be proper as the Minimum Wage is based on the number of consumption units and the number of earning members in a family and these may not be uniform in these three industries. Secondly, Minimum Wages should not markedly differ from state to state as otherwise these would thereby affect the profits of the industry and create discontent among labourers also. Thirdly, in industries such as coffee and rubber in which the minimum price is sanctioned by the Central Government on the basis of costs, a substantial element of which is wages, consultation with the price sanctioning authority is necessary in changing the Minimum Wage, as otherwise the price sanctioned may have no relation to costs. Fourthly, the provision that labour should do the "customary work" proves another hardship to small holders. The existing rule gives room for labour to refuse to transport latex from the tree to the factory on the ground that it is not "customary work". Estates may be able to afford to employ specialised labour on tasks but a small holder has not got adequate work to be given on a single task basis. A single labourer may have to perform all kinds of work in a small holding. The small holder should therefore be free to engage labour on the minimum time wage.

Labour relations are not as happy as one would like them to be. This affects the efficiency of the industry. As we have dealt with this subject in detail in the Report on Tea, we are not repeating it here.

As regards the implementation of the Plantation Labour Act, our recommendations in Chapter VII of our Report on Coffee apply equally to Rubber.

SECTION H.

Sale of Rubber Estates.

Elsewhere in the chapter on Capital Structure we have referred to a large number of Indian companies having a comparatively high amount of share capital. This has partly its roots in the purchase of estates at high valuation. Another consequence of such purchases is the stinting of legitimate expenses such as improved agricultural practices to which reference

has been made in the chapter on Costs. As purchases of estates at high prices affected the financial soundness of the industry, we are referring in this Section to the need for careful and cautious valuation. Wrong valuations have serious consequences to the industry. It might lead to over-capitalisation and may effect the foreign exchange position on account of repatriation of the sale proceeds of Sterling estates. Proper valuation is particularly important in case of rubber in which the State notifies a price based on cost of production and a reasonable return on capital invested.

Rules of guidance necessary.

2. A study of recent valuations of estates which were sold and on which the Capital Controller sanctioned share capital and debenture issues indicate the need for and the directions in which rules of guidance were necessary in making such valuations.

(i) Old trees had a lower yield and had to be maintained at higher cost. But all trees were valued at a uniform price.

(ii) Valuation has to be differentiated for low-yielding and high-yielding rubber.

(iii) Valuation reports referred to the poor condition of buildings such as hospitals but did not take into account the liabilities that would fall on the new buyer to renew them.

(iv) In the calculation of net income, income and expenditure of the latest year was taken into account. Net income might vary over a period as a result of increased or decreased costs and yields. A longer period should be chosen.

(v) Costs should include provision for depreciation of trees.

(vi) Calculation of future returns should be carefully done, basing it on the capacity of a normal management to make the estate economic and efficient and not on what is possible by an ideal management.

(vii) In calculating returns on capital invested, tax alone is deducted from the profits but not other items like the managing agency commission and interest.

(viii) As sellers will not generally spend on improvements, returns from which they will not be able to realise after sales, and hence the property may be neglected before sales, a certain allowance in sale price to restore the property to normal order will have to be deducted.

(ix) As there are large variations in the valuation by employers' representatives and the appraisers of the Rubber Board, greater scrutiny will be necessary in accepting them.

(x) When estates with a very large area of trees 43 years old which have been tapped for 35 years are sold, valuers say that even a low yield is possible only for the next 10 years. But this low yield is capitalised as if the tree will yield for another 30 years. In such cases the income should be capitalised for valuation only for 10 years.

(xi) When estates are sold and bought by the same person in the capacity of a private owner as seller and a company of which he is the managing director as buyer, close scrutiny will be necessary about the valuation.

It is, therefore, necessary to have definite rules of guidance and standardised forms giving full descriptions of the condition of the estates so that the subjective element in the valuation is reduced to the minimum.

3. We have made certain recommendations in our reports on Tea and Coffee regarding regulation of land sales. They have an equal application to rubber. They are reproduced below as applied to rubber estates:

We recommend that if the seller or a prospective buyer so desire, the Rubber Board should send its expert evaluators to assess the price of the rubber estate. Such evaluators should be selected out of a panel of experts to be maintained by the Rubber Board and a suitable charge for this service may be made from the parties concerned. Such evaluations should also be done for the benefit of the Department of Company Law Administration and the Reserve Bank of India, as and when necessary.

The Rubber Board should satisfy itself in regard to every sale that the seller has credited to the Replanting Fund what is due from him and also transferred the necessary funds provided for the execution of the phased replanting programme.

In order to make sure that the buyer becomes aware of his obligations to the workers employed and takes responsibility for their continued employment on the same terms as under the previous employer, there should be a stipulation in the deed of transfer that the buyer takes this responsibility and the buyer should also intimate accordingly each employee so taken over, under advise to the State Commissioner of Labour. Where that is not done, the alternative should be for the seller to be required to compensate his labour under section 25 (F) of the Industrial Disputes Act, as if they were being retrenched and for the buyer to engage them afresh. In such a case, to avoid hardship to the retrenched labour, the provisions of Section 25 (H) of the Industrial Disputes Act which gives retrenched labour priority in the matter of re-employment, should apply to the buyer. A tribunal in Assam has delivered the following judgment in respect of staff:

"When an estate is sold as a running concern the incoming management must take over the staff in addition to ordinary labour on the same terms and conditions they had under the out-going management."

The principle stated in the judgment should be followed invariably in all cases of changes of ownership of estates.

We have already proposed that a development staff should be responsible for implementing a phased programme of replanting as well as replacement and renewal of plant and machinery drawn up by the Rubber Board in consultation with the producers concerned. This staff should also survey the newly purchased estates and provide every assistance to the new owners where necessary to bring the fixed assets to a normal condition.

We have proposed at several places in this Report certain additional functions to be conferred on the Rubber Board. As we have recommended in the case of the Tea Board, we feel it is desirable to provide for the constitution of some additional standing committees of the Board to carry out these functions. Provision should be made in these committees for co-operation of experts whose knowledge and experience will be useful. These experts could sit as non-voting members.

APPENDIX

Summary of the Principles of the replanting programme in the Report of the Mission of Inquiry into the Rubber Industry in Malaya.

A. *Replanting cess and Fund.*

1. "Regular provision for replanting is essential and it should be made before profits are calculated. Such regular provision is clearly not being made by the estates as a whole."

2. "There exists at present a replanting cess returnable to estates only to the extent that they have incurred expenditure on replanting. But it amounts only to 1.8 cents per lb. The only way in which it can be ensured that proper provision will be made by estates for replanting is to impose an adequate replanting cess."

3. "The cess should be at a flat rate at so much per lb. Proper provision for replanting depends not only on the cost of replanting but also on the yield per acre. There is therefore no one rate of cess which can be said to be appropriate in all cases. In fixing the level of the cess all that can be done is to balance the advantages against the disadvantages".

4. "The cess must be fixed at such a level as to ensure on the one hand that it provides reasonable security for the amounts that an estate may have to borrow from the fund in order to carry through an adequate replanting programme and on the other that the surpluses of estates that need not borrow from the fund are not excessive".

5. "Taking everything into consideration, the great variety in the circumstances of individual estates, the necessity for financing the poorer estates, the undesirability of locking up unnecessarily large sums belonging to the better estates, and the uncertainties regarding the cost of replanting, we decided to recommend that the replanting cess should be 4.5 cents per lb." (100 cents = 1.563 rupees Indian).

6. "This cess will be retained as a replanting Fund for each estate according to the amount in lbs. of its export."

B. *Funds for Replan'ing.*

1. "Direct subsidisation of replanting from general revenues is financially impossible".

2. "Extension to estates of the special cess-subsidy system already adopted to secure replanting by small-holders would be grossly iniquitous."

3. "There is no guarantee that the resulting addition by reduction of taxation would be used for replanting."

4. "Another possibility is the provision of easy credit facilities by government. There are serious objections to this."

(a) Occasional borrowing can be no substitute for regular provision for replanting.

(b) Repayment of capital would have to be required only over a period from say the 9th to the 25th year, and interest payments required

only from say the seventh or 8th year. Risks of default would be high.

(c) The security would not necessarily off set there. Full market values would be difficult or impossible to obtain at forced sales.

(d) The risks involved for the estates themselves might appear to them too great. They would be averse from borrowing at known prices for rubber and having to pay back at unknown possibly lower prices.

C. *Loans secured on the Replanting Jund.*

1. "We do however recommend replanting loans differently secured. What is required is accelerated replanting, even if necessary at the expense of replanting later on. (2) In suitable circumstances estates should be able to overdraw on their accounts in the replanting fund. (3) Each application for a loan from that Fund would have to be treated on its merits. A full technical examination of the replanting plans and practices of the estate will have to be made by the technical staff of the Fund. Consideration will have to be given the character reliability and skill of the applicant. After the loan has been provided regular inspection of the progress of replanting will be necessary. It will be necessary also to keep a constant watch on the estates' balance to see whether it would be possible to increase the rate of replanting should the estate desire to do so, or whether it is necessary to curtail that rate as the outstanding balance is excessive. The Fund should therefore have on its staff men with sound practical experience of rubber planting and it would appear to be essential that it be managed by a banker of wide experience. (4) The main security for a loan from the Fund will be the future payments of cess but it will be necessary to make the loan a first charge on the land to cover the odd case when the estate ceases to produce. (5) If the ownership of an estate is changed, the credit like the debit must go with the estate. It should not be open to an owner who has a credit in the Fund and who does not wish to replant to sell his estate and then withdraw his credit. (6) If the Fund is not to be abused it is essential that interest be charged at a rate comparable with that normally attached to loans on good security. (7) The question of paying interest on balances naturally arises. It would be anamalous to pay interest to an estate simply because it did not replant or did not replant quickly enough. Provided however that this was avoided, it might be possible to devise a scheme for paying a low rate of interest on some of the balances in the Fund. (8) The Replanting Fund should charge besides interest, fees for inspection and something in the nature of bank's charges. The proceeds of the cess must not be looked upon as going into a pool which is ultimately to be shared by the estates. The proper analogy is rather that of a bank in which each estate has its own separate account. (9) Replanting Fund would require outside finance (of the order of 40 million at its peak) if a regular 3% replanting programme was undertaken.

D. *Credit Balances in the Replanting Fund.*

1. "At the other end of the scale would be the case of those high-yielding estates whose replanting credits in the Fund would be large and exceed their cost of replanting. Provision would have to be made for the return of the surplus balances to those estates. (2) No refund should be made unless the estate has an immature area of about 21% or more. (At 3% of area to be replanted annually and as plants mature only from the 8th year, the immature area is calculated as 21%). Exceptions will have to be made in the case of estates whose percentage of high-yielding material is so large that the maintenance of an immature area of 21% would involve the cutting down of trees the felling of which would be uneconomic. (3) An estate with

an immature area of about 21% or more should be entitled to automatic refund of its balance if its yield exceeds a certain figures which in the interest of the smooth working of the fund should not be placed too high. We think that an estate with a regular 3% replanting programme which has at present a yield of about 550 lbs. should be able, when the time comes, to compensate successfully with the producer of synthetic rubber. We suggest therefore that an estate with a yield of 550 lbs. or over and an immature area of approximately 21% or more, should be entitled to an automatic refund of its balance.

E. *Diverse crops.*

The estate owner should also be allowed to draw on the Fund to replant any crop other than rubber which appear to him advantageous or to plant a new area to rubber within the limits imposed by the estate's present and prospective credit balance in the fund.

CHAPTER XI

The small grower in the Raw Rubber Industry.

In this chapter we shall discuss the problems of the small growers. Under the Rubber Act, a small grower is defined as one holding 50 acres or less. We have, however, included in this group all those holding up to 100 acres. Among these, growers holding 15 acres and less form a class by themselves. Their problems are studied in greater detail and a special scheme of assistance proposed in later paragraphs of this chapter.

Introductory.

2. A very large number of small holdings exists in the Indian rubber plantation industry. These are largely concentrated in the Kottayam district of Travancore* as shown below.

Concentration of small holdings

TABLE LVII

Table showing distribution of small holdings.

Size of holdings	Total for the whole Industry.		Kottayam district.	
	No. of Units.	Area (in acres)	No. of Units.	Area (In acres)
Up to 5 acres.	23,364	45,193	20,639	38,563
Over 5 acres upto 10 acres	1,948	14,083	1,380	9,729
Over 10 acres upto 50 acres.	1,475	30,394	765	14,349
Total	26,787	89,670	22,784 (85%)	62,641 (70%)

Note:—Figures in brackets are percentage to total of Cols. 2 and 3 respectively.

Source:—Rubber Board.

*There has been a slow movement towards the high land for work in the plantations—the plantation industry absorbs practically the whole of the population of the highland—Kottayam with its vast area under high land has 87% of persons in primary industries (not specified under cultivation) engaged in plantation industry. In the whole state of Travancore-Cochin primary industries absorb 14% of self-supporting persons. Out of this, 45% were engaged in fishing and 43% in plantation industries. (Census Report 1951).

This concentration should facilitate the successful promotion of state partnered co-operatives among the small holders.

Diversified cropping

3. The second fact to be noted about small growers is their reliance on mixed crops for their livelihood. In 1950 the Rubber Board made an investigation and said as follows:

"Out of 35 holdings investigated in 2 centres, 32 have mixed crops like cocoanut, pepper, tapioca etc., besides rubber in cultivation. In many cases the area planted with rubber is smaller than that of other crops."

The diversified economy makes small units less vulnerable to price falls.

Greater elasticity of production in small holdings.

4. In small units tapping may be increased or decreased when prices rise or fall more easily than in case of the larger plantations with their heavier overhead charges.

The Malayan Mission Report makes pointed reference to this fact in the following words:—

"An estate's tapping programme is designed to produce the best result in the long run and so when prices rise, production increases very little, if at all. When prices fall, on the other hand, to reduce tapping only increases the difficulty of covering overheads and other fixed charges. Estate production is therefore very inelastic. These considerations apply also to small holders but with less force. Most small holders probably have no long-term tapping programme and are more ready to increase or decrease their tapping as the price of rubber rises or falls. In many cases too, unlike the estates, they have some alternative source of income to which they can turn, when rubber prices fall. Small holders production is therefore considerably more elastic than that of estates."

International agreement worked against small holdings.

5. The small growers suffered under many handicaps which have resulted in their stunted growth.

India was a party to the International Rubber Regulation Scheme which operated between 1934 and 1942. During this period the area of new plantings by small holders was less than those by estates though in some earlier years (1925-28) and also in some later years (1943-46) the small holders had shown more plantings (Vide Tables LVIII and LX).

TABLE LVIII

Table showing plantings of rubber since 1925.

(In acres).

	Estates of 100 acres and over.	Small holdings less than 100 acres.
1	2	3
Planted earlier than 1925	54,720	16,759
In 1925.	829	3,987
In 1926.	6,335	17,071
In 1927.	5,661	7,055
In 1928.	2,389	3,437
Total.	69,934	48,309

The increase in the area of small holdings 1925-28 was about two hundred per cent of their area in 1925 while the increase in the area of estates over 100 acres was only 30% of their area in 1925. This showed the virility of small holders to expand in a free economy. Commenting on this fact the report of the Indian Tariff Board 1951 said:—

"It would appear from this that the highly remunerative prices of rubber in that year attracted many small agriculturists to go in for rubber planting......The trend was for an increase in the acreage under small holdings than in estates."

The International Rubber Regulation Agreement which operated between 1934 and 1942 affected adversely the expansion particularly of small holdings. The Tariff Board said in its report:—

"But for the restriction of new planting imposed by the International Regulation Agreement, the rate of plantings of rubber during the restriction period would have following the trend of prices more closely."

Under the International Agreement, the quota for export was fixed as a percentage of standard output. The determination of the standard output was varied from time to time. The larger estates were able to increase their output owing to their better resources but small growers had various difficulties in doing so. Hence a larger quota for export was available for the former. Further, the coupons for exports were transferable and small holders found it profitable to sell them to dealers who were qualified to buy them when they were also owners of rubber areas, and also to big producers. Small holders who were not alert and assertive could not get their standard output fairly assessed. It should be noted that under the agreement surplus stocks could not be accumulated by the producing counties New planting was prohibited except for experimental purposes but replanting upto 20% during the five control years 1934-1938 was permitted. Thus the control did not give the small holders any benefit from increased yields and areas as compared with big producers.

"Regulation of output increases permitted the encouragement of a profitably high price level without at the same time attracting increasing supplies from many small holders." (World Rubber and its Regulation K. E. Knor Stanford University, P 111)

6. The consequence of International Rubber Restriction Agreement was a decline in the tempo of planting by small holdings as compared to the pre-restriction period. The following table illustrates this:

TABLE LIX

Table showing planting of rubber between 1935 and 1942.

(In acres)

Year	Estates of and above 100 acres	Small holdings less than 100 acres.
1	2	3
1935	95	3
1936	631	5
1937	1,264	45
1938	1,616	161
1939	2,833	1,185
1940	2,328	1,367
1941	1,341	789
1942	3,446	2,464
Total	13,554	6,019

In the pre-restriction period between 1925 and 1928, the increase in planting by estates was 15,214 acres and that of holdings was 31,550 *i. e.*, more than double the area planted by estates. Between 1935 and 1942, the position was reversed as shown in the table above. In 1942 a new situation arose. The rubber producing countries like Malaya, Java and Burma fell in the hands of Japan. The Allied Powers had to depend on rubber produced in regions within their own control. In India the rubber control and Production Order 1942 was passed underwhich the Central Government purchased all the rubber at prices fixed from time to time. The monopoly purchase was terminated on 30-4-1946 but price control continued. The disappearance of restriction on replanting and new planting with the cessation of the International Agreement in 1942, and the assurance of a market at a fixed price resulted in 1943 "in the largest increase in planting in any one year since 1926". During this period the small holders planted a larger area than estate-holders, as is shown in the following table :

TABLE LX

Table showing area planted and the kind of planting material used.

(In acres)

Year	Estates area planted	Of which budded rubber and clonal seedlings rubber.	Small holdings area planted.	Of which budded rubber and clonal seedlings rubber.
1	2	3	4	5
1943	5,879	3,310	8,789	1,179
1944	4,937	2,238	6,784	562
1945	5,331	3,149	4,849	309
1946	1,892	1,062	2,396	169
Total.	18,039	9,759	22,818	2,217

Since 1934 rubber has been under controls, firstly under the International Agreement, secondly under Bulk Purchase Scheme during the war, and after that under the price regulation scheme of the government. Compared to estates, the small holding area rapidly expanded in a free economy between 1925 and 1928; depression had its effect on the expansion there-after; the International Agreement restricted it further; during the war the removal of restriction on plantings and the Government purchase scheme at fixed prices gave a fillip to expansion. In September 1947 price of raw rubber was fixed at Rs. 72 per 100 lbs. under the Production and Marketing Act 1947. The rate of planting of small holdings began to decrease with this reduction in the notified price.

7. Commenting on low rate of planting after 1946, the report of the Development Committee said "the rate has dropped progressively to a very low level in 1949". But since 1951, plantings by small holders has shown an increase with the increase in notified prices.

TABLE LXI.

Table showing plantings by estates and small holders since 1947.

(in acres)

Year	Plantings by estates over 100 acres.	By small holders
1	2	3
1947	1,467	1,375
1948	1,001	334
1949	904	209
1950	1,359	145
1951	1,087	243
1952	1,240	375
1953	1,370	795
1954	1,592	809
Total.	10,020	4,285

8. One fact should not be forgotten in the comparative study of area planted. Small growers did show during the war period a greater extent of planting. But they had neither technical assistance nor better yielding plants. Hence between 1943 and 1946 while estates planted 9,759 out of 18,039 acres with better yielding plants (about 50%), small growers planted only 2,217 acres out of 22,818 acres with such plants (about 10%). Their expansion was greater than that of estates in this period but mainly low-yielding trees.

This dearth of good planting material and technical assistance remained uncorrected even after the Rubber Board came into existence. During the period 1947-1954 small holdings planted better yielding plants in 1,648 acres while the estates 7,393 acres. While this is the position regarding plantings in general, replantings also have been very poor. Commenting on poor replanting by small growers, the Development Committee said in 1950:—

> "This is regrettable because it is in the small holdings that rubber trees have deteriorated very badly almost beyond repaid and replanting was more urgently required".

Until March 1950, the statutory price for rubber in India was appreciably above world price level. From April 1950 the international price became abnormally high being around Rs. 300 per 100 lbs. The rubber producers made strong representations that the statutory prices for rubber should be increased appreciably to provide higher profits and reserves for rehabilitation. Accordingly the price was raised to Rs. 122-8-0 in March 1951. During this period April 1950 to March 1951, the notified price was not attractive enough to encourage new planting or replanting. The Tariff Commission wrote as follows in their report about the condition of small holders :—

> "Many of the small growers intend to abandon rubber cultivation and utilise the land for growing more remunerative annual crops.........Some of the small holders have already cut down their rubber trees and have already planted tapioca. In a few holdings the tapping of the present stands of rubber have been stopped and the small holders have begun the spreading of peppervines which they have recently been cultivating. The price of essential commodities has gone up.........The increase in price of rubber has been small as compared with other commodities"

9. This, in short, is a review of the ups and downs in the development of small growers. That the small growers have, despite severe odds, continued to retain a place in the rubber economy is proof of their resilience. They have further shown in recent years a keen desire for using high-yielding planting material out of their own resources. It was represented that during 1953 :—

"The demand from small holders was for 30 lakhs of clonal seeds out of which only 10 lakhs could be supplied. They wanted one lakh of budded plants for which 5,000 were supplied. They wanted 3 lakhs of clonal plants for which 5,000 were supplied. They wanted 3 lakhs of clonal plants for which 1½ lakhs were supplied during the year 1953." (Indian Rubber Grower Vol. 3.1 P. 14).

Greater percentage of low yielding area.

10. The following is the position regarding needs of replanting in respect of holdings of less than 100 acres.

Out of a total area of 102,147 acres under holdings below 100 acres, almost the whole area required replanting. While in the case of estates, area of trees not older than 30 years which required replacement by better yielding seedlings was only about a fifth of the total area under low yielding trees, in the case of holding it formed about 80%. (Vide Table LVI in chapter X). If the whole area of trees older than 30 years and that of ordinary low yielding trees of 30 years and less was compared to the total area, the needs of replanting were greater under small holdings.

	Estates of 100 acres and over (in acres).	Holdings below 100 acres (in acres).
1. Total area	1,05,093	1,02,147
2. Low yielding	69,525	94,335
% of 2 to 1.	66%	92%

Recent increase under low-yielding area.

11. While in estates the area of low-yielding trees decreased between 1950 and 1954, it increased under small holdings.

Year	Estates low yielding area (acres).	Holdings low yielding area (acres).
1950	74,473	63,429
1954	69,701	67,482
	(—)4,772	4,053

A scheme of replanting along with subsidies for small growers of 15 acres and less as a solution to the existing condition of a high-percentage of low-yielding and aged trees is discussed in the final paragraphs of this chapter. We shall now consider the main problems of small growers relating to insufficiency of land, land tenures, indebtedness, cultural practices, processing and marketing and the possibilities of a co-operative organisation.

Inadequacy of land—the main problem.

12. The main problem of the small grower is insufficiency of land. "An average family of three workers is able to work and manage a holding of 12½ to 15 acres. Holdings of less than 5 acres in area which do not give full employment for at least one worker are uneconomic and an economic average family holding should consist of 10 to 15 acres. According to this general definition all small holdings of less than 5 acres in area are all uneconomic." (Development Committee Report).

A minimum holding from the point of view of giving a minimum area for a single tapper is 4 acres. A rubber holding should in the least comprise an area of 4 acres. The table given below indicates the average holding for those holdings 5 acres and less as about 2 acres. The area of the holding has therefore to be increased for a very large number of holdings.

TABLE LXII.

Table showing size of holdings and estates

Size of holding.	As on 31st December 1946					
	No.	Acres.	Average acre per holding.	No.	Acres.	Average acre per holding.
			4			7
Upto 5 acres.	13,156	19,082	1.5	23,364	45,193	2
Above 5 upto 10 acres.	1,290	8,595	7.0	1,918	14,083	7
Above 10 upto 50 acres.	1,311	24,881	19.0	1,475	30,394	20
Above 50 upto 100 acres.	187	12,458	67.0	209	16,756	80
Over 100 acres.	215	93,304	434.0	237	1,00,813	425

The table shows that the number of holdings of 5 acres and below was 13,156 in 1946 and 23,364 in 1955. This increase is to be attributed to the registration in 1955 of a number of holdings not reported to the Rubber Board in earlier years and is therefore no indication of an increase in the number of units. Considering the income from rubber, a subsistence holding giving a net income of Rs. 1,200 per year* should comprise about 12 to 15 acres of rubber area. This indicates how much more land a small holder will need if we consider not merely the minimum tapping unit of area but an area of a subsistence holding. Where of course the net subsistence income of Rs. 1,200 comes from other sources, the minimum necessary for a small grower in rubber may be less.

Apart from the need for making economic units by the provision of additional land, a scheme for consolidation of holdings may also be necessary as in the case of other crops. When once small units are consolidated, they should in law be prevented from being broken up in the future.

Land tenures.

13. There are three prevailing forms of land tenure in small holdings. One form relates to ordinary leases. The Development Committee Report pointed out that holdings of 15 to 100 acres employed generally outside labour. The owners might either reside on the holding or not. In the latter case, a manager has to be appointed for supervision or the holding is leased out. According to this report under such leased holdings,

> "the lessee overtaps the trees to obtain the maximum profit without due regard for the health and longevity of the trees. Further little or no attention is paid by him for the improvement of the holding. All these render leased properties progressively low-yielding and uneconomic."

*The report of the Committee on size of holdings of the Planning Commission (February 1956) said :—

"According to the data on national income, the annual income per earner in agriculture amounts to Rs. 500. Assuming 2 to 2.5 earners in the family of an agriculturist, the annual income of an average agricultural family should come to Rs. 1,200. Adopting this as a rough basis we suggest that a farm which yielded a gross average income of Rs. 1,600, or a net income of Rs. 1,200 and is not less than a plough unit or its multiple in area may be considered as a family holding."

Another form of tenure was crop-sharing by small holders. Under this tenure, the price of rubber when sold is shared equally between the owner and the tapper.

Crop-sharing results in intensive tapping by the tapper and poor investments in improvements by the owner. The former wants more quantity to be tapped and the latter would like to stint in expenses on improving the holding.

The third form of tenure is the holding of land by tenants under Tenancy Acts which provide for fixity of tenure and fair rents.

Unless fixity of tenure is assured, and fair rents on rubber lands frozen at the level existing before planting of high yielding trees by the tenant and rents were not raised from time to time with the greater improvements made by the tenant, and compensation for improvements provided in case of surrender of the land, the benefits of replanting and new planting will not satisfactorily reach the tenant. In addition to such a land reform, there will always be the need in rubber holdings for an agency to take charge of leased properties, so as to maintain them in efficient condition and pay also a rent to the owner. The proposed joint-farming society mentioned in a later paragraph, should be able to take charge of such leased lands.

Debts of small holders.

14. The Rubber Board was good enough to supply in response to our request data regarding the debt position of 21 small holders in Kottayam division of the T. C. State. These holdings are below 25 acres and the particulars obtained are analysed in Annexure XXIV. As our coverage is poor, these figures can only be taken as illustrative of the indebtedness of small holders but no general inferences can be drawn therefrom. The majority of the creditors are private money-lenders. The loans are generally granted on personal securities. Loans are repaid from the returns from cash crops, such as pepper, cocoanut, ginger etc. The rate of interest is generally 12%. Out of 21 holders, 10 were free from indebtedness and the remaining 11 covering 125.15 acres of rubber and other lands had outstanding debts totalling Rs. 19,300 or Rs. 155 per acre. The quantum of debt of these holdings is not excessive.

Cultural practices.

15. The following are extracts from evidence and reports of the Tariff Commission, Rubber Board and the Development Committee regarding cultural practices. The Tariff Board said in its report 1951 :—

"In many holdings the selection of proper varieties of planting material has not been carefully done and this has resulted in lower yields per acre."

The Rubber Board said in its half-yearly report ending June 1954:—

"A preliminary survey of conditions in rubber small holdings by the Field Officer revealed that the condition of trees and methods of tapping and preparation of smoked sheets are really bad in the vast majority of holdings."

The Development Committee Report said:—

"Dusting and spraying machines are required for the application of treatment against leaf disease which takes a heavy toll of leaves every year, the repetition of which over many years result in retardation of growth of the trees and poor yield. They cost about Rs. 30 per acre. It is rather uneconomical for small holders to possess either of these machines and cost of treatment is beyond the means of many of them."

Mr. K. L. Kershaw, Travancore Rubber & Tea Co., Ltd., Mundákayam refers to the assistance which can be given to small holders for dusting for the control of phytophtora, a serious disease of the rubber tree.

A successful solution to the problem of dusting will prove of enormous benefit to the small holder and the moderate sized rubber estate. With the large acreages that can now be protected with a day's dusting it is not unreasonable to assume that the larger holders would readily come to the assistance of their small neighbours in order to keep a district as free of infection as practicable. It would also prove possible for the Rubber Board to equip the field inspectorate with the necessary machinery so that the latter may move among small holdings to provide the necessary technical knowledge equipment and know-how." (Vol. 4 July to Dec. 1955 Indian Rubber Grower).

We have mentioned in the chapter on Research and Advisory Services about the need for maintenance of a staff for pest control by the Rubber Board which would help growers, particularly small growers, in dusting and spraying. We also recommend the establishment of central clonal seedling nurseries and instruction in improved and less severe methods of tapping for small holders.

Processings.

16. The small holder suffers for want of rollers to machine the rubber sheet. It was represented at the meeting of the Rubber Board (20th meeting 17-9-1955) that there were 14,000 small holdings and the supply of two rollers was not going to improve matters. The small holder would hurry through the stages of preparation which however require time. He is not interested in improving the quality when the dealer purchases in lot without reference to proper grading. His equipments being cheap are poor in quality. They may not have the ease of use and may sometimes affect the quality of rubber. What is needed is a chain of primary co-operative societies maintaining smoke houses for taking delivery of the latex of small holders and making smoked sheets of uniform and good quality.

Latex marketing has also great scope in the future. To quote from a speech of Mr. Cecil Stack, the Managing Director of Dunlop Rubber Company at a meeting of rubber manufacturers:—

"It is undoubtedly true that sheet rubber from small holdings can only compete with smoke sheet from large estates at a considerable discount. With the increasing uses being found for ordinary latex however, a new field is being opened up which offers some hope for reducing this discount. Both Malaya and Ceylon offer many examples of latex being collected from small holdings and brought to a central bulking station rather on the lines of a dairying scheme. Subject to proper precautions being taken against conagulation of latex enroute there is no reason why small holders' latex should not command the full controlled price for this grade less whatever small charges may be necessary for the collecting agent. Latex foam goods have obviously come to stay and it would repay the Indian Rubber Board to consider whether a scheme on these lines could not be introduced for the benefit of the small grower".

Co-operative smoke houses recommended.

17. If the small growers' rubber can be purchased in the form of latex for preservation, he can get the best price without any expense on roller's acid, dishes, smoke house etc. But owing to climatic conditions latex obtained throughout the year may not be suitable for preservation. Subject to this caution, there is considerable scope for expension of latex marketing if state-partnered processing co-operative factories for this purpose are started. These processing societies will have to combine marketing along with processing. The difficulties of the small grower in respect of marketing are dealt with in the Chapter on the marketing.

18. The trouble however according to the Rubber Board seemed to lie in the proper management of co-operatives. The Development Committee recommended the formation of experimental co-operatives. On the recommendation of the Tariff Board Government said in their resolution (25-8-1951) that:—

Difficulties in organising co-operatives.

"the Rubber Board should take suitable steps to improve the marketing organisation for rubber at an early date in the light of the findings and recommendations of Shri Reddy".

Investigations on this subject by the Board resulted in the following findings:—

(i) "The efforts of the Board so far in inducing the small holders to form co-operative societies had not met with success, owing to lack of enthusiasm on the part of small holders themselves to the proposal. But the Board is of the view that the scheme should be kept in view for implementation if and when the small holder takes interest in it." (Evidence of Rubber Board).

At the 16th meeting (November 1953) of the Board the Chairman stated that the scheme for co-operative marketing 'could not be implemented owing to the reluctance of small holders to join the society'.

The Board oppointed a committee which reported in May 1954 that the scheme was impracticable.

(ii) A preliminary investigation report of the Board stated:—

"A few educated small holders who were interviewed were very critical about the proposed society. Owing to very good demand they do not see any use of a co-operative society even if it is practicable to form one. They said that their interests will be better served by removing price control or the Board purchasing their rubber at controlled price when there is no demand for their rubber from the dealers.

(iii) Another report of the Board stated:—

"The fact that such interested small holders may easily become victims of the proposal and other machinations of middlemen who usually purchase the small holders' rubber to kill the co-operative society should not be forgotten."

(iv) "The co-operative officers of the State pointed out that 'no producer' society functioned in Kottayam division."

The above mentioned points of view high-lighted the following difficulties in the proper working of co-operative societies.

i The middlemen namely Dealers for some big producers who are also dealers would throw obstacles in the way of the society.

ii The small holders were very critical because they were afraid to fight the money lender-cum-dealer who had better resources than they and were also afraid of possible losses in marketing.

iii The Board wanted that the small holders should take the initiative in forming such society; the latter had little resources of their own to fight the powerful money-lender-cum-dealer-cum-big producer who was connected with the big business of rubber manufacturers.

iv The co-operative officers did not evince any interest in promoting such societies.

19. Owners of big estates who themselves have more affinities with big dealers and big manufacturers cannot be expected to promote actively the

cause of small holders which might adversely affect some of them in their business. The big manufacturer worked through dealers-cum-money lenders who were financed by private banks in towns and who had sub-dealers in the village who were either big producers or money lenders. Village lendership rested with the latter. A report of the Rubber Board no doubt recognised though feebly this root evil when it said that small holders may easily become victims of machinations of middlemen to kill the co-operative societies. We have given in the appendix to this chapter relevant extracts from the report of the Rural Credit Survey Committee which has brought out vividly the marketing and credit problems of the rural producers, the unavoidability of State partnership to build the marketing organisations of small holders and the principles and procedure to be followed in organising central marketing societies. We have indicated in Paragragh 25 the lines on which a rubber marketing organisation should be promoted for small holders.

Suggestions for improvement of Co-operatives.

20. In our report on Coffee we have analysed the problem of credit of the small producer and suggested certain remedies. In Rubber the place of the small producer is even larger than in coffee. The remedies we have suggested in the report on Coffee apply to Rubber also.

21. Co-operative Banking institutions have so far done little for financing the small grower either by way of short term loans or long term loans. Primary Co-operative societies of a multi-purpose character are in the first place essential if full finance for the crop is to be satisfactorily provided to the small-holder. The rubber grower required supplies by way of manures, spraying materials and tools for tapping and husbandry. He also needed help in processing and marketing his rubber. The primary societies should therefore be able to provide short term credit and the supplies and services required. It will include in its membership all rubber growers big and small. It will be the agency for implementing the subsidy and assistance scheme in respect of holders having 15 acres and less, discussed in a later section.

22. The function of this multi-purpose Co-operative Society should not merely be the provision of credit, supplies and marketing but also the introduction of improved methods of rubber production and processing and helping to carry out the target of production according to the plans of the Rubber Board. For successful working, the societies will have to be of adequate size to sustain a whole time trained manager and a full complement of necessary staff. The existing pattern of credit service by the Reserve Bank provides that the rate of interest to the grower should not exceed $6\frac{1}{4}\%$. The Reserve Bank lends at $1\frac{1}{2}\%$ to the Apex Banks which lend at $2\frac{1}{2}\%$ to the Central Co-operative Banks which in their turn lend to the primaries at $4\frac{1}{2}\%$. The margin of $1\frac{3}{4}\%$ thus left to the primaries may not be sufficient to meet the expenditure on a wholetime trained manager and necessary staff. As recommended in our report on Coffee, this margin may be increased by 1% if one of the intermediaries, namely the Apex Bank as one of the two good signatories for endorsing the pronotes of primaries is removed. Any additional funds for the maintenance of a trained manager should come from the Rubber Board in so far as this manager helps the advisory service in its extension work.

As we have recommended in the case of Coffee, we recommend in the case of Rubber also that the Reserve Bank may consider granting of permission for the formation of a special Rubber Co-operative Central Bank for the Rubber growing areas which though spread over different states are located mainly on the south-west coastal belt. Such a Bank may provide the necessary supervision for these societies.

23. The main problem in the provision of long-term credit to the small holders who are largely subsistence farmers is that they have no security to offer except their holdings, returns from which will be barely sufficient, for maintaining themselves and their families. Their replanted and new planted areas could be offered as security but ordinary financial institutions may not be willing to advance long term loans on their security. Recovery of loan will not be possible during the non-productive period of a re-or new-planted area and the full loan will take about 25 to 30 years to be repaid.

Long-term credit.

24. As we have recommended in the case of Coffee the solution of this difficult problem lies in the formation of State-partnered co-operative joint farming societies on the lines recommended in our report on Coffee. Such a society will provide intensive supervision, preparatory services for replanting and new planting, long-term and short-term loans, services, supplies and processing as in ordinary multi-purpose primary societies.

Need for joint farming societies.

The use of the word 'joint-farming' should not be taken to mean pooling of lands of small holders. Cultivation in individual family holdings need not be disturbed. But uprooting of low-yielding trees, clearing of new areas, maintenance of nurseries, and bud-grafting may be done jointly. Areas granted to small holders for new planting may get common services as above mentioned. Areas which are relinquished may need the care of such societies until new settlers are found. Some owners may prefer to leave their lands to the society when they themselves do not cultivate. Such holdings too may have to be taken care of. A plan of supplementary crops and/or livestock and poultry rearing may have to be promoted as an adjunct of small subsistence holdings. Joint-farming should be interpreted in this sense and not as pooling of lands as a large sized plantation.

25. We have in this scheme provided at the bottom for ordinary multi-purpose primary societies and joint-farming societies of small growers of rubber. They will have to be fostered by a central co-operative bank, a central supply society, and a central marketing society. As there is no marketing agency for rubber, central marketing societies are necessary to collect latex directly and process it or collect the smoke sheets where primary multi-purpose societies undertake processing. The primaries will be affiliated to them. The marketing societies should purchase outright the rubber and collect a charge for meeting administrative expenses and losses in marketing. They should provide the service of grading. It should be a condition of the license granted to the manufacturers for the purchase of rubber that they should make purchases of rubber preferentially from these societies. The societies should have their warehouses and special grading inspectors. These societies should be partnered by the Rubber Board. The Board and the affiliated societies will hold shares in these societies. A certain number of directors will be nominated by the Board. Others will be elected by the affiliated primaries. Care should be taken to see that the directors have no personal interest in marketing as dealers and represent only the producers. The senior staff of these societies shall be appointed by the Board. The societies will get marketing finance on the pledge of produce from the Reserve Bank through the proposed Rubber Co-operative Central Bank.

Central marketing societies.

26. We have mentioned in Chapter X that the Rubber Board are

now implementing a scheme of phased replanting of 70,000 acres which is to be partly financed by grant of subsidies at varying rates for both estates and small holdings. We have discussed also the question of grant of subsidies to estate and holdings over 15 acres and outlined a scheme of loans against a compulsory replanting fund. We shall now discuss this question as it applies to those having 15 acres and less.

A replanting and new planting scheme for small holders.

27. Grant of subsidy is justifiable in the case of those who have no surplus income nor can offer adequate security for long term loans. Where loans can be given by combining an element of subsidy in it such as interest-free loans, or loans over long periods which will naturally involve risks, the method of loan service rather than free grants is preferable in the interest of building self-respect in the applicant and soundness in the business for which the loan is advanced.

Additional land is needed to make holdings economic. The loss in production of the uneconomic holder holding less than 15 acres resulting from the up-rooting of old trees for replanting has to be met. He has to maintain himself during the period when the plants have not attained maturity. New planting may have to be permitted for uneconomic holders where this is preferable to replanting. This may be costly for the small holder to undertake without the aid of a subsidy. Soil erosion has to be prevented in the new planting areas by providing grants to small holders who undertake approved soil conservation measures. Subsidy may be paid in kind and take the form of supply of planting material, fertilisers, fencing materials, cover crop seeds, services for bud-grafting, clearance and preparation of the land and free pest control service etc.

28. In distributing permits for replanting, a certain percentage of area will have to be fixed as the maximum for each estate or small holding. Small holders holding below 15 acres should be allowed to replant and new plant a minimum of 4 acres though it exceeds this percentage. Deterioration of soils in a locality also requires consideration.

Principles of a replanting policy.

29. The problem of accelerated replanting is mainly one of drive, intense supervision, co-ordination of various activities of different agencies, and the active co-operation of the grower. The problem therefore is one of providing an administration to work at high pressure. Need for caution is equally great in the matter of proper recruitment of the personnel, training, supervision and direction. A special programme of this kind will have to be implemented on the lines of Community Projects through provision of targets, well-designed co-ordination, an adequate decentralised staff under a central administration, periodical meetings, a pursuit of targets round the year, and public co-operation. As mentioned in the Report on Coffee there should be a development officer in charge of development, and the subsidy and co-operative schemes for small growers below 50 acres. Public co-operation should be fully enlisted by forming local associations. Instructional leaflets, talks and demonstrations by the staff, courses of instruction in replanting, appointment of small holders in local committees, who thereby get opportunities to receive upto-date information on replanting, may all be necessary for the education of the small holder in improved practices.

30. As far as possible, subsidies should be for collective services, and in kind. Even a long-term loan over a long period, either interest-free or at a nominal rate of interest, has an element of subsidy in it. There are risks of the plants being affected by destruction or disease during their immature period and after. The employer witness gave evidence on this question before the special Industrial Tribunal, Madras as follows:—

"All forms of animal life are destructive to young rubber. All domestic animals eat away the young rubber. At early stages of growth rats, moles, porcupine can destory young plants. In my own estates I have lost 1,470 trees in the last 3 years equal to about 17 acres of plantation having been knocked down by elephants. Once to my knoweldge 11 acres of young rubber were destroyed by a family of porcupine. Apart from diseases there is considerable loss from storm and winds. Every estates loses some trees annually from these causes. Fire can damage tapping panels of trees and cause severe damage to trees in a clearing. Because trees were formerly grown on river banks, some damage is caused from floods. Sun can also cause damage to young clearing where newly budded rubber required to be shaded from the sun."

31. Just as there is provision for suspension and remission of land revenue in years of failure of crops, some amount of irrecoverable loans due to the causes mentioned above may have to be written off. A fund to meet losses will be necessary in the case of loans.

32. Services of this nature which contain an element of subsidy may have to be provided in respect of growers of less than 15 acres. It remains now to extent of funds that will be required and the sources from which they could be raised.

33. As regards the urgency of increasing the area of high yielding rubbber in small holdings the Minister for Commerce and Industries said during the debate in the Lok Sabha on the Rubber Amendment Bill in 1954:—

"There are estates which produce as much as 1,200 lbs. of rubber per acre as against estates which produce only 200 lbs. per acre and we in trying to fix the price have taken the minimum at about 400 lbs. per acre. That shows that those estates which are really efficient and produce 1,200 lbs. are making colossal profits when we fix the price on the basis of 400 lbs. per acre. He was even prepared to be autocratic in the matter of helping the small growers if it was possible for them to take a step in that direction without injuring the larger interests of the country. He was even prepared to make a departure from the existing position by giving a higher price. But a method must be evolved by which the smaller producer got a little more."

Allocation of area to be replanted by holders of 15 acres and less.

34. We have stated elsewhere that the total area for replanting to be allocated to small holders of 50 acres and below should be half of 70,000 acres which is the area that is now planned for (i. e., 35,000). We recommend that out of this 35,000 acres the Rubber Board should allocate a suitable area for replanting by holders below 15 acres taking into account the condition of trees and other relevant factors. The area to be allocated for replanting by those holding less than 15 acres may roughly be taken as not less than 21,000 acres making an allocation on the basis of proportion of the area under the group below 15 acres and the group between 15 and 50 acres. We have also stated that an area of 25,000 acres should be set apart for new planting by small holders of 50 acres and below. Out of this about 12,000 acres may be set apart as a provision for making uneconomic units of less than 4 acres into holdings of 4 acres, where suitable land is available in the vicinity of the holdings. On an average this will provide for 6,000 uneconomic units of 2 acres each to be increased to 4 acre units. The proportion fixed for new planting by small holders should not be a rigid one. In view of the existence of 25,000 uneconomic units needing added lands whatever is not taken up by medium growers holding between 15 and 50 acres should also be made available for new

planting by those holding 15 acres and below. The cost of replanting in the case of small holders may be taken as less than for estates since the former have far less overheads to meet. We have estimated the cost of replanting for estates at Rs. 1,400 per acre. In the case of small holders the cost for replanting as well as new planting may be roughly put at about Rs. 1,000 per acre. The cost of replanting 21,000 acres and new planting 12,000 acres (exclusive of cost of land) would thus work to about Rs. 3.3 crores, spread-over a seven year period i. e. about 48 lakhs per year. We expect that the allowance for replanting permitted in the price structure for rubber would be utilised by the small holders to the maximum extent possible.

A small holders' assistance fund proposed.

35. We have now to consider how additional funds for this purpose may be raised. Recently a device has been adopted in order to get for the Rubber Board the difference in price between imported and indigenous rubber when the price of the imported rubber is less than the Indian controlled price. The Board resolved on 12-6-1956 that : 'suitable measures be taken so that the difference between the Indian price and the import price of rubber may ensure to the advantage of the Board.'

Government issued on 6-8-1955 a public notice (12. Pub. (2)-56-31-7-56) as follows :—

"Government have decided that imports of the following grades of raw rubber would be licensed to actual users on an *ad hoc* basis

a. Crepe rubber other than sole crepe.
b. Sheet rubber.
c. Scrap rubber.
d. Latex.
e. Synthetic rubber.
f. Reclaimed rubber.

Imports would be licensed subject to such conditions as the licensing authority may deem fit to impose."

36. Under these conditions the Rubber Board will issue the licence only to those importers who agree to pay the difference between internal price and imported price to the Rubber Board when the price of the imported rubber is less than the Indian controlled price. The amount so realised is to be utilised for providing assistance to small holders. This device eliminates the risks and administrative responsibilites involved in importing rubber and distributing it to the manufacturers. But it has been objected to on the ground that it is inequitable and unethical. Moreover, the income from this source will also be very variable and no planned assistance will be possible on reasonable estimates of the income.

Surcharge on excise duty on tyres suggested.

37. A better way of providing for a Small Holders' Assistance Fund would be to levy a suitable surcharge on the excise duties on rubber manufacturers. We have observed earlier that the amount required for carrying out the new planting and replanting programmes proposed by us for small holders of 15 acres and below would be about Rs. 48 lakhs per year for seven years. A part of this amount should be met by the small holders from the element for replanting provided in the price of rubber and the reduction in the cess recommended for them. We feel that the balance can be made available by a surcharge on excise on tyre manufactures of about 2% ad valorem. We accordingly recommend that such a surcharge on excise be levied on tyre manufactures to provide for the Small Holders' Assistance Fund.

The Small Holders' Assistance Fund should be administered by the Chairman of the Rubber Board in consultation with a committee of small holders. The Chairman will use the agency of the co-operative institutions as far as possible in implementing the scheme of subsidy and loans.

The amount of subsidy and the loan payable to this section of the small growers from this fund must be adjusted to the amount needed to supplement the resources available with the growers themselves, i.e. the element for replanting allowance included in the price structure and the element in the cess amount which is allowed to be retained by this section of small holders. When the co-operative institutions recommended by us come into being, we expect that all the small holders will become their members. When this is done, our recommendations for formation of a compulsory Replanting Fund in the case of estates and holdings above 15 acres should also apply to these holders of 15 acres and below. The replanting fund would then consist of the element allowed in the price structure as an allowance for replanting and the reduction in the cess which we have recommended for them. Both these amounts would be collected from each holder and credited to a separate Replanting Fund for each holding to be maintained and administered by the co-operative societies when they are formed. The loans granted to these small holders would then be adjusted against the amounts accruing to the replanting fund as we contemplate the State Finance Corporations and other financing agencies to do on behalf of the larger estates.

38. To recapitulate, we recommend the establishment of a Small Holders' Assistance Fund to be made up of a surcharge on the excise duty on rubber tyres. This fund should be utilised:

(a) to issue long term loans for replanting and new planting to small holders owning 15 acres and less;

(b) to meet losses in the recovery of long term loans;

(c) to pay to individual holders cash subsidies for the maintenance of the small holder and such other items of expenditure on replanting and new planting which cannot be paid in kind;

(d) to distribute to individual holders subsidies in kind such as planting materials, fencing materials and fertilisers;

(e) to provide common services such as clearance and preparation of land.

APPENDIX.

Extracts from the Report of the Rural Credit Survey Committee.

Principles of co-operative marketing

"Co-operation can succeed only if between the forces of co-operation on the one hand and the opposing forces of private credit and private trade on the other the disparity that ever tends to be present does not exceed certain reasonable bounds. In India the external forces pitched against co-operation have in many insidious ways entered into and vitiated the internal cohesion of co-operative bodies themselves. The powerful interests of export succeeded in imposing the cash economy only within the periphery of their own transactions with the rural economy. In the cities and towns grew up bodies which were ancillary to the main institutions of export trade and finance. These consisted of banks, firms, trading houses and individuals—agents, financiers etc. Lower down in the rural area was the village money lender and the village trader, often the same individual, who also aligned themselves to the new economic system. The reaction of those who sought to advocate a

return to the old order was wholly unrealistic. Much more to the point would have been a planned and determined attempt on the part of the State to minimise the socio-economic effects of the new and inevitable forces on millions of people adversely affected by an unplanned transition from one order to another. In India it would have been futile to expect any significant recognition of the concept until after political power passed to the people themselves."

"There continues to operate a mechanism of trade, finance etc., the working of which has by and large been consciously or unconciously against the interests of the rural producer. Access to seats of power and sources of finance was largely cut off from the weaker sections that formed the bulk of rural population. To these sources of finance is established a chain of contact. At the far end of the chain are the village financiers such as the money lender and the trader who are also recipients of finance from sources and reservoirs higher up the channel. Sometimes two or more of these the village leader (Panchayatdar or village officer) the village lender and the village trader are one and the same person. A board affinity governs their attitudes towards the rest even when there is more than one leader, more than one lender, and more than one trader. A few of the examples given illustrate how the trader or private processor offers bitter opposition to the co-operative marketing or processing society and how sometimes he affects an entry into the society itself or at other times forms a rival one so that his influence may be predominant and his interests made safe against co-operative incursion. This can be readily explained. Both money lender and trader derive their interest in the producer of cash crops which are sold in the urban market from the fact that there is enough profit at the marketing end. They are part of a financial and trading machinery which operates in order to supply urban demand which is relatively paying. It is inconceivable that credit for production could be largely co-operative while finance for marketing and processing remained largely private

The close conformity of association and interests between the subordinate officials of government and the more powerful elements of the village (the bigger land lord money lender trader from which class the village headman is also drawn) is a matter to be borne in mind as of great significance in explaining the failure of implementation of the policies and directives, co-operative or other, emanating from the higher levels of administration............ Frequently the directions remain on paper, especially when they involve some disadvantage to the more powerful in the village. Acting in concert functions with these, the subordinate official whose functions take him to the village, creates for the benefit of the superior officers what might be called the illusion of implementation woven round the reality of non-compliance."

"The failure of co-operative credit is explicable in terms of the total impracticability of any attempt to combine the very weak in competition with the very strong and expect them by themselves to create conditions, firstly for their emancipation from the interests which oppose them, and secondly for their social and economic development in the context of the several disadvantages historically imposed on them by a structure of the type described. The problem is not so much one of reorganization of co-operative credit as of the creation of new conditions in which it can operate effectively and for the benefit of the weaker. The prevailing conditions cannot be transformed by the very persons who are oppressed and rendered weak by their existence. The forces of transformation have to be at least as powerful as those which are sought to be counteracted. Such forces can be generated not by co-operation alone but by co-operation in conjunction with the State."

"One may consider an institution for the rehabilitation of crippled children struck down by the malady of infantile paralysis. The little patients are studied, courses of treatment prescribed and carried out, muscles gradually strengthened and all efforts made to rehabilitate them and send them back to normal life. No one has yet suggested that those children should depend on themselves as much as possible and form themselves into a mutual association for individual rehabilitation."

"The scheme of state participation is based on a rejection of the idea that co-operative credit is a close enclave which has no organic connection with planning. It is also based on a recognition of the fact that state participation in co-operation cannot stop short at an intermediate stage but must be taken to its logical conclusion which is that of providing for the cultivator a strong and suitable superstructure such as can be effectively operated for his benefit through the financial administrative and technical participation of the State.

The principle of reorganization is recognition of the need (a) to leave scope at the rural base for societies to become fully co-operative within a measureable period by the process of themselves replacing the state part of share capital and (b) at the higher levels to retain the major partnership of the state until such time, however long, before the co-operative organisation at the rural basis develops sufficient strength and will need, against the competition and opposition of private vested interests and for various other reasons, a support which is at once powerful, sympathetic, financially adequate and technically competent."

Based on these principles, the committee made the following recommendation regarding marketing societies:—

"Co-operative societies for marketing should be on the basis of State partnership. The technical personnel should be provided by the State Government. The programme should be vigorously pursued of extension and development of marketing societies at the primary level and at other levels to the extent necessary to support the primary structure. It is necessary to ensure by positive state supervision that the medium cultivator certainly and the smaller cultivator wherever possible is effectively represented and his interests adequately protected.

As a rule there should be no compulsory acquisition of processing plants etc. for the purpose of entrusting them to co-operatives but where members of a co-operative society or persons prepared to form themselves into a co-operative society offer to subscribe not less than 30% of the share capital and provided the state government is satisfied that acquisition is in conformity with public interest, it may after notification compulsorily acquire the concern for this purpose.

Before issuing a licence for a new plant factory or mill in any particular area Government should ascertain whether any existing co-operative society or one likely to be formed is both willing and in a poistion to take up the work. In that event licence should be issued to the society and not the private party.

The co-operative organisation will be concerned with storage and ware-housing in smaller owns and All-India and State Ware-housing Corporations at All-India and state centres of importance. They may also be used for purpose of distribution of commodities. Where a godown or a warehouse is situated at a regulated market or other place notified in this context, the acquisition may be compulsory but on payment of compensation."

"The State Government should hold 51% of the share capital of district co-operative marketing societies formed either on a territorial or commodity

basis. Well organised district co-operative marketing societies may according to their situation find it possible to operate also as societies for the processing of agricultural commodities.

The State Government should make available the services of suitable technical staff.

Training classes for officers in charge of godowns and licenced--warehouses should be organised."

CHAPTER XII

Research, Training and Advisory services.

Introductory. As early as 1909 rubber planters in India had come to see the need for research. The scientific department of the U. P. A. S. I. has been very largely responsible for taking the initiative in the matter of promotion of research on problems of rubber growing. It was on representations made by the U. P. A. S. I. that the Government of Madras appointed a scientific officer to work along with the scientific department of the U. P. A. S. I. As a result of his recommendations, experimental stations were established in Mundakayam, Tenmalai and Mopli where very useful investigations were carried out on agronomical and mycological problems concerning rubber and into the causes of the "secondary" leaf fall. The stations in Tenmalai and Mopli were closed down in 1926, but the Mundakayam research station continued to function till 1931. But the rubber slump in 1931 and the consequent fall in the revenue of estates forced the closure of this research station. Since then, the industry has been without any organised research centre to advise it. Recently, under a scheme sanctioned by the Government of India, a rubber research institute with an experimental station has been started by the Rubber Board.

The Rubber Research Institute. 2. The following note of the Rubber Board explains the objectives of the Institute, its organisation and functions:—

"The purpose of the Institute is to employ sciences like agronomy, botany, plant pathology and applied chemistry for the advancement of rubber growing in India. The Institute will have four main research divisions of the above sciences working in co-ordination with one another under the Rubber Production Commissioner who will be its Director. Each division will have a suitably equipped laboratory and a Research Officer and a Research Assistant.

The broad lines of the functions of the Director and allocation of the field of research are as follows:—

Directors: Organising the Institute, general planning of the research and experimental work and giving technical advice.

Agronomy Division: Study and classification of the rubber growing soils, and study of all problems relating to the preparation of the land for planting, cultivation and maintenance of the soil in a good state of fertility.

Botany Division: Study of the rubber tree, its improvement and all botanical problems from planting to production of latex.

Pathology Division: All problems relating to diseases and pests of the rubber tree.

Chemistry Division: All problems relating to the processing and preparation of the raw product (latex) into forms in which it is required by the consumer, and improvement of its quality."

3. For the Rubber Research Institute and the Experimental Station attached to it, the Board has acquired a land which is a hillock measuring about 77 acres in Puthuppally village about 3½ miles east of Kottayam town. The hillock has nearly 15 acres of flat land on the top. A building to house both the Research Institute and the Board's office will be constructed in the centre of this plot, and staff quarters around. The slopes of the hillock are to be utilised for the Experimental Station where replanting and other experiments will be conducted. Nurseries for raising high yielding planting materials for distribution to the Rubber grower, particularly small growers, are also to be established during the coming planting season.

4. Even though the Research Institute building has not been constructed the Agronomy, Pathology and Botany divisions have begun to work in a small temporary laboratory set up in the Board's office premises, and at the Experimental Station. The Research Officers are also doing advisory work. Besides the Research Officers, it is proposed to establish an Extension Service with a fairly large staff to undertake the work of dissemination of the scientific knowledge gained and new or improved methods evolved from the results of research for practical application among the rubber growers most of whom, numbering more than 25,000, are small growers.

Need for extension and training services.

5. We hope this Institute will soon start functioning in full measure and fill the long felt need of rubber planters in India for an effective research and technical service. The long-time effectiveness of technical services depends upon a continuous flow of the results of research through extension workers to the planters in the field. A great deal of the success of the extension service will depend upon the Liaison officers and their approach to the task. They should have the capacity to explain new ideas in a manner that will win ready acceptance. For this purpose, necessary training will have to be given to the Liaison officers. The advisory staff and the extension service will not be able to function effectively unless they have the support of the local planting community whom they have to help and serve. We, therefore, recommend that the Rubber Board should organise regional advisory committees consisting of representatives of influential planters whose help will be available to the Advisory Officers to facilitate their work by securing necessary local co-operation. The advice of these local committees will also be helpful to the Rubber Board, for purposes of planning and development of the industry in the regions concerned.

6. A Liaison Service alone will not be effective unless the estate managers through whom they have to work were also trained in methods of rubber cultivation. The existence of such skilled management will not only ensure a rapid incorporation of the results of research in production but also act as an immense encouragement to the Liaison Service. We are of the view that there is a need for a suitable course of training in rubber growing so that planters may take advantage of such facilities. In addition, it will also be helpful to those young men who contemplate rubber growing as a career, either as proprietors of their own estates or as employees in companies. Proper training in methods of rubber production and plantation management will enable them to utilise their resources to the best advantage. This is a service which we consider the research station should arrange. We recommend that the Rubber Board in consultation with the industry should organise such a course in suitable places in rubber growing regions. The nature and the course of training, the number of people to be trained, the methods of selection and other details connected with the training scheme should be worked out by the Rubber Board and the Research Station. We hope that the future entrants into the rubber industry as managers and supervisors in the plantations would be recruited from those who have under-

gone this preliminary training. The Research Station should also convene periodic conferences so that rubber planters and the research staff may come together and discuss matters of interest and exchange views on rubber cultivation problems. These additional activities other than research and extension, namely training and education, may form part of the Research Institute and the proposed extension service.

Mobile pest control units suggested.

7. Plant protection and pest-control raises several problems specially for the small growers. Finance is required for spraying and other equipments and an agency is necessary for providing this service and instructing farmers in their use. We recommend that the Rubber Board under its Extension Department should have mobile pest-fighting units which could be sent round from estate to estate to help the planters towards better plant-protection. The services of these mobile teams should be made available to all rubber growers at rates depending on the size of their holdings. The administration of this service should be by a staff of field workers which should be separate from the extension service though the extension service and the pest control units must act in close co-operation with each other.

The standards of cultivation in rubber, particularly for small growers, have to be raised. While the extension service proposed will certainly help in this direction, a planned programme of targets may have to be reached. Persuasion may in the last resort require some sanction, more as a deterrant than for actual enforcement. The second Five-Year Plan has provided for it in respect of maintenance of standards of husbandry in other agricultural lands. We recommend that such sanctions should also apply for rubber.

CHAPTER XIII

The machinery for control of Plantation Industries.

We shall discuss in this Chapter the need for some organisational changes for the control and development of the Tea, Coffee and Rubber industries.

The Tea, Coffee and Rubber Acts as amended in 1953 and 1954 provide for the development of these industries under the control of the Union Government. The Tea, Coffee and Rubber Boards constituted under the three Acts are charged with the responsibility of developing the respective industries. The Central Government, however, has the power to take action relating to these industries on its own initiative also.

The nature of the controls exercised by the Central Government at present vary for the three industries. In Coffee, the government approves the basic price and in Rubber it notifies the prices for various grades of rubber. In both these cases, the government tries to ensure that the grower gets a price to cover his cost of production and a reasonable return on capital. The government has, however, also to see that efficiency and economy resulting from free competition are not sacrificed in a sheltered economy.

Our own proposals such as implementation of a phased programme of replanting, scientific study of costs for fixing coffee and rubber prices, keeping watch over financial requirements, assistance for loans, provision of supplies through state partnered co-operatives or companies, directorates for research, education, training and extension, control over marketing, provision for manufacture of standardised cheap tea and coffee, and regulation of production in relation to demand, place greater responsibilities on the three Boards and consequently increase the supervisory responsibilities of the Central

Government. Also, we have proposed the establishment of a Central Labour Welfare Organisation under the auspices of the Central Government. Control of industries brings with it the formulation of policies from time to time and the issue of directions and rules to carry them out.

Besides there will be need for suitable co-ordination between the rubber plantation industry and the synthetic rubber industry which will be in the 'Public Sector' under the Central Government. Thus the work connected with the control and development of Tea, Coffee and Rubber industries will increase considerably.

Complaints about the present methods of Control

2. Complaints have been often voiced by some members of the Boards about the inefficiency of control by the Central Government. These related to delay, non-consultation of the Board on matters which affected the industry, losses resulting from changing policies, policies not based on fact-finding, and changes in policies due to changes in personnel of administration. While some of the complaints can be rectified by an improvement of the administration, some others are inherent in the system itself.

Ingredients of control :

3. Fact-finding by an independent agency is necessary in respect of costs on which price-notification or basic prices are based. Guidance and standardised rules will be necessary in respect of improvement of fixed assets and standards of cultivation and review of costs and profits. Close association of the Boards with various departments and organisations in respect of finance, extension work, labour welfare and implementation of labour laws, supplies of equipments and accessories for production, marketing and distribution will arise out of our proposals. Collection of statistics by the three Boards will have to be standardised and supervised.

4. On various points of regulation as production targets, price-fixing, regulation of internal consumption and exports and supplies, the industry will have to be consulted. The controlling authority will have to organise necessary research, inform itself of all facts, and promptly lay down changing standards, where necessary, to which the industry will have to conform. Through its staff it will have to review conditions from time to time. The foundation for the proper regulation of industries is fact-finding and consultation with the Industry as pointed out below :

> "Every major determination by government in the regulatory sphere should be preceded by an earnest effort to find the facts. This may involve broad research in economics history and the administrative phases of the general problem, investigation of the records of companies most affected by the proposed decision, collection of statistics from the industry on a periodical basis to provide factual background for all of the agency's decisions, and consultation with experts and interests likely to be directly or indirectly affected by the proposed decisson." (Elements of Public Administration Edited by F. M. Marx, Prontice-Pall, Inc., New York).

Freedom of the controlling agency.

5. To advise the executive there should be a suitable organisation of sufficient status and knowledge of the problems of the three industries. Parliamentary control of minute details of changing orders necessitated by regulation of private industry is hardly possible. We need a body whose experience and recommendations will be available to the Government in formulating policies affecting production, prices, regulation of consumption and exports and taxation concerning the three plantation industries; this body could look after the proposed Central Plantation Labour

Welfare Organisation also. A permanent body will establish certain conventions and procedures which will create a sense of confidence for Industry. Experience and tradition are the basis on which policies have to be formulated. Frequent changes in personnel due to exigencies of administration may not have the benefit of experience and tradition. As mentioned by the Task Force Report of the Hoover Commission on Regulatory Commissions,

"Where regulation requires constant adaptation to changing economic and industrial conditions and wide discretion must be delegated to the administrative agency, the independant commission provides the means for insulating administration from partisan influences or favouritism and obtaining the benefits of continuity of attention and consultative judgments." (P. 28)

Flexibility of adminitration.

6. Control of industry is something more than departmental administration of executive orders. A certain flexibility of administration is also necessary.

"Since the last war administrative theory had moved strongly towards the detachment from traditional controls of administration, agencies which had the characteristics of an industrial or commercial enterprise. This development was due to a questioning whether civil service methods of appointment and the settled procedure of administrative control collectively known as 'red-tape' could not be improved upon and whether it was really possible for congress annually to make a genuine review of the detail of administrative activities or advisable for it to intervene continuously in rather trivial every day matters of administration." (T. V. A. International Application. I. L. O. P. 122.)

So long as regulatory work involved intervention in private enterprise there will always be problems of adjustment of private rights and public interest which will need handling by an expert independent agency which will command public confidence.

7. What is required is a specialised agency which will be able to take an objective view of the problems involved and make recommendations to the government. It will review the working of the Boards and help them in the performance of their functions. It will provide the fact-finding staff for costing. It will lay down for the Board common rules of procedure. It will act as the co-ordinating centre in dealing with other departments. It will perform the various other functions mentioned in earlier para. Consultation with it will be obligatory on the Ministry. This will enable the government to have the considered views of an experienced and independent body on important questions of policy on which Government have to take a decision.

Recommendations

We, therefore, recommend that a permanent Commission on the lines suggested below be set up to regulate the three plantation industries.

(i) It should consist of three wholetime members including the Chairman. They should be appointed by the Government. They will work under the Ministry of Commerce and Consumer Industries. One of these members may be a general administrator and the other two should have experience of economic and labour affairs.

(ii) In order to ensure continuity, the terms of the members be so arranged that not more than one of them retires from the Commission at the end of every three years.

(iii) The Commission will have to work in the closest possible liaison with the Tea, Coffee and Rubber Boards. It will be desirable that represen-

tatives of the Ministries of Finance and Labour be associated with the Commission when it discusses matters in which these Ministries might be interested.

When such a Commission is established, it will be for the Government to consider whether regulatory work regarding other plantation industries and the rubber manufacturing industry could also be performed by this Commission.

CHAPTER XIV.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS.

Chapter I—General.

One of the main problems of the rubber production industry is to increase production to meet the demands of manufacturers so as to make India self-sufficient as far as possible in regard to her present and future requirements of raw rubber. (Para 6).

Chapter II—Climatic and other characteristics of rubber growing regions in India.

The areas in Malabar do not yield as high as some parts in the South of Travancore. The average yield per acre in India, as compared to other rubber growing countries is about the lowest. (Para 2).

Chapter III The organisational structure of the raw rubber industry in India.

Although rubber cultivation had its start on a plantation scale by British planters, the greater part of the increase in the area under rubber cultivation is attributable to the enterprise of a large number of Indian proprietary planters, predominantly small holders who came into the field later. During and after World War II some of the foreign owned plantations have passed into Indian hands; nevertheless, foreign investment in rubber continues to a sizable extent. (Para 1).

The total area under Sterling and Non-Indian ownership and control is about 40,000 acres forming about 20% of the total area under rubber. The production controlled by this section is nearly 30% of the total production of of rubber of nearly 42% of the production of all estates of over 100 acres. Thus in rubber plantations a comparatively larger section is in the hands of Sterling and Non-Indian controlled companies than in the case of coffee although less than in the case of Tea. 55% of the area under estates is under the control of 2 Sterling companies, and Ten Rupee Managing Agencies/ Companies/ Concerns. (Para 4)

Holdings having an area of 50 acres or below number 26,787 units totalling 89, 670 acres or 43% of the total rubber area. The small growers hold an important place in the rubber industry. (Para 4).

Chapter IV. Capital Structure.

The total capital invested in Rubber plantations of over 100 acres is estimated to be Rs. 9. 92 crores of which Rs. 7. 56 crores is Indian (76%) and Rs. 2.36 crores is Non-Indian (24%). The investment in Sterling companies comes to Rs. 1. 96 crores, in Rupee Non-Indian companies to Rs. 1. 20 crores, and in Rupee Indian companies to Rs. 3. 94 crores. The investment in proprietary and partnership concerns is estimated as Rs. 2. 80 crores. (Para 14).

Between 1939 and 1954 there has been a noticeable shift in the investment from Non-Indians to Indians. This is very marked in the share holdings of Rupee Non-Indian companies. There has also been an increase in share holdings by Managing Agents and Institutional Investors. Even so, the share of Managing Agents' holdings to the total ranges only from 1. 4 to 4. 4%;

investment by Institutional investors is higher in Sterling companies, being 24.9% and lowest in Rupee Indian companies at 6. 1%. (Para 14).

In is not possible to say if the figures regarding valuation of fixed assets reflect the real relative position of the various companies because the basis of valuation among these companies may differ. (Para 23).

Between 1950 and 1953 there has been no growth in the value of land assets in Indian companies while the Non-Indian companies show an increase of 16% in all, in their land value per acre between 1950 and 1953. Increase in the investment in buildings, plant and machinery is more in the Non-Indian as compared to the Indian companies. The overall picture shows a small increase in fixed assets in Indian companies to the extent of only 4% between 1950 and 1953, while the Non-Indian companies show an increase of 28%. (Para 24).

Out of an increase in savings and reserves of Rs. 33 lakhs in 27 Indian companies between 1950-1953, 9 lakhs have gone into fixed assets. Of this sum of 9 lakhs a sum of Rs. 7 lakhs has gone into buildings, 2 lakhs for plant and machinery and nil for lands, whereas four Rupee Non-Indian companies between 1950 and 1953 increased their reserves by Rs. 12 lakhs and share capital by Rs. 7 lakhs out of which they invested Rs. 6 lakhs on lands, Rs. 5 lakhs on buildings and Rs. 2 lakhs on machinery and others, i.e. in all Rs. 13 out of Rs. 19 lakhs. (Para 25).

Between 1939 and 1953, 5 out of 10 Indian companies show a decline in land assests. (Para 26).

Paid-up capital was less than the value of net fixed assets according to our own figures and those of the Reserve Bank. The sum of share capital and reserves, i.e., net worth was not *on the average* less than fixed assets but on the other hand shows a surplus over fixed assests. (Though insignificant according to Reserve Bank figures). (Para 27).

Case studies show that 7 companies have increased fixed assets from funds other than their own resources and 7 companies had "long term funds"* below Rs. 91 per acre. 14 out of 24 Indian companies had therefore little "long term funds." The average "long term funds" for the year 1953 for 24 Indian companies amounts to Rs. 91 per acre. (Para 27).

We find that Sterling and Rupee Non-Indian companies have greater "long-term funds" as compared with the Indian companies. These funds will have to be further increased to meet the replanting needs of the industry. (Para 30).

The period 1950 to 1953 was one when monetary resources greatly increased because of the price increases granted by government during this period. At the same time their comparative non-investment in fixed assets by Indian companies showed greater cash and other assets with them than with Rupee Non-Indian companies. (Para 36).

A study of growth of share capital showed (i) there has been no increase in share capital between 1946-1953 in Sterling companies, (ii) Indian companies showed an increase in share capital in the first period 1939-1946, (iii) the percentage of share capital to total assets between 1939 and 1953 decreased more in Sterling than in Indian companies and (iv) the percentage of total share capital and reserves to total assets decreased under all types of management between 1939 and 1953. (Para 39).

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*The term "Long term funds" is used in a very special and restricted sense to denote the excess of share capital and reserves over net fixed assets which represents the sum that could be made available for purposes of long-term needs.

If we divide the increase in reserves during these 14 years and find the average annual increase per acre, it would amount to Rs. 27, Rs. 25, Rs. 18 and Rs. 11 respectively for Sterling, Rupee Non-Indian, Indian companies under managing agents, and Director-controlled Indian companies. (Page 41)

While over a long-range period of 1939-1953, 10 Indian companies showed a poor annual average allocation of Rs. 11 to Rs. 18 per acre, contributions to the reserve by 24 Indian companies worked to an average of Rs. 33 per acre between 1950 and 1953. (Para 41).

While reserves per acre in 1953 amounted to Rs. 398 per acre for Rupee Non-Indian companies and Rs. 496 for Sterling companies the reserves per acre for Indian companies amounted to Rs. 282. (Para 41).

In the absence of any significant additions to paid-up capital, retained profits have formed the main source of increase in internal resources in the industry. But these have not been adequate. (Para 42).

"Long term funds" may be estimated to be of the order of Rs. 309 for Sterling, Rupees 216 for Rupee Non-Indian companies, and Rs. 91 for Indian companies per acre (Para 42).

Chapter V. Cost of production of rubber.

The region-wise analysis of costs brings out the following facts:—

(i) Madras is a high cost region.

(ii) The increase in costs between 1950 and 1953 is to be attributed largely to the increase of labour costs, bonus, commission and salaries to staff. (Para 7).

On the whole, there is little variation in production costs between the Rupee Indian and Partly Indian companies. The costs were higher for Sterling companies by about Rs. 8 per 100 lbs., due to higher cultivation charges of about Rs. 5 and higher processing charges of Rs. 3. And this was so despite their higher yields. The proprietary concerns incurred more on tapping and collecting latex than all others. They incurred less on processing. The smallness of their general charges also helped to reduce their costs. These concerns incurred in all about Rs. 10 less than Rupee concerns. (Para 8).

An increase in costs may be partly due to high maintenance charges of low-yielding trees, greater expenditure on improved cultural practices and processing and a higher standard of expenditure on labour and staff and general management. A study of costs of Rupee Indian and Partly Non-Indian companies showed that they varied under almost all the heads of expenditure. (Para 8).

The proportion of the major heads of the costs to total costs is more or less the same in Madras and in T. C. State and this proportion has been maintained in all the four years. (Para 9).

The total coverage of our analysis of small holders' costs is very limited. The analysis shows that the small holder spends between 46% and 66% of the total costs on tapping (even where money wages for labour put under this head by the small holder and his family are not added) while the estates spend between 30% and 46% on tapping. The small holders spend very little on manuring, pest control and spraying and dusting and their costs under 'general charges' are much less than those for estates. (Para 10)

Chapter VI. Transport and Supplies.

The Rubber Board will have to examine the needs of communication in rubber growing regions and bring them to the notice of concerned authorities, namely Local Boards, and the State government. (Para 1).

The Ministry of Commerce and Consumer Industries should examine the representations about relaxation of import controls. As regards the future organisation for supplies at no profit-no loss basis, we recommend that our proposals made for coffee should also apply to Rubber. Also the monopoly distribution of fertilisers supplied by the Government of India Pool should vest in this new organisation. The proposals are quoted below:—

"We feel that a co-operative supply organisation under the auspices of the Coffee Board will be a more responsible agency for distributing chemical fertilisers and mixtures than private firms. We therefore recommend the establishment of a co-operative organisation for this purpose. This organisation should have the sole right of sale of chemical fertilisers and mixtures."

"We hope that when a central co-operative organisation is established it will be possible for estates to get the supplies required by them at reasonable rates. We have recommended that the sale of fertilisers to coffee growers should be a monopoly of this co-operative organisation. The central co-operative supply organisation should channel its supplies to small growers through central co-operative curing societies and directly to big companies and partnerships as under existing rules they cannot join central co-operative curing societies. If rules do not permit membership in the central co-operative supply organisation of companies and partnerships, the alternative organisation would be a central supply corporation directly making supplies to companies, and partnership concerns and through central co-operative curing societies to small growers." (Para 3).

As the large consumer buyers in the market are only two or three, the sellers have often no option except to sell their better grades as lower grades.

Chapter VII Marketing of Rubber.

As the large growers are in most cases able to sell their production without any hitch in the matter of grading, it can be inferred that it is only on the small holders that the loss arising out of degrading rubber mainly falls. This loss to the small growers can be averted only if State-partnered co-operative societies step in the field for porcessing and marketing the small holders' production of latex. (Para 11).

We recommend that licences granted for import of rubber should contain a stipulation that they are not valid for imports of Group I quality. (Para 12).

During periods of high production, growers and dealers have to hold disproportionately large stocks with them. We consider that as in the operation of a sheltered economy for rubber the manufacturing industry is also benefited by the fixation of maximum prices for raw ruhber, an obligation is cast on them to absorb the growers' output of rubber in proportion to the quantities produced. During seasons of high production of rubber, the manufacturers should step up their purchases as *quid pro quo* for the shelter which they get. It will be for the good of all, if the important manufacturing concerns come to an agreement on this point. Otherwise, to achieve the desired result, we suggest that the purchase licences issued to manufacturing concerns should be on a quarterly basis, proportionate to the quantum of production of raw rubber in these quarterly periods on the basis of a suitable formula. (Para 13).

The minimum and maximum price is fixed only for one centre namely Cochin. There is need for fixing minimum and maximum prices for the other important marketing centres also. We feel that prices could be fixed (delivery within municipal limits) for Kottayam which is an important trading centre for rubber where 76 out of a total of 305 dealers have establishments for

purchases and sales. On the same principles, prices can be fixed for other important centres also where large transactions in rubber take place. If this is done, one of the obstacles that stand in the way of a large number of small holders getting the minimum prices will be removed. (Para 14.)

If a dealer or manufacturer is compulsorily made to issue purchase bills, stating the grades and the quantity of each grade or rubber purchased, room for mal-practices can be reduced. Most of these unlicenced petty merchants who are numerous will find it difficult to operate, if this restriction is imposed on purchases in lots. (Para 15)

Chapter VIII. Profits and their allocation.

Gross profit as related to total capital employed showed a higher figure for Director-Controlled companies than for Sterling companies in the year 1953. As between 1950 and 1953 Sterling companies showed a decline while the Director-Controlled Indian companies showed a rise.

Gross profits per acre was higher in Director-Controlled Indian companies and Sterling companies than in Rupee Non-Indian companies.

Percentage of gross profit to net worth and share capital was higher for Rupee Non-Indian companies than for the Indian.

While between 1946 and 1953 there was a fall in the percentage of gross profit to gross sales in Sterling companies, there was a rise in Director-Controlled Indian companies. These companies showed a percentage of 43 as against 28.52 for Sterling companies in 1953.

The average gross profits for a majority of companies cannot be regarded as excessive if depreciation charges for renewal of old trees are added to costs. (Para 14).

The average managing agency commission on gross profit was 7.67% in Sterling companies, 4.5 to 7% in Rupee Non-Indian companies and 10% for Indian companies. 41% of the Indian companies paid an average commission over the statutory 11% (cf. The new Companies Act). (Para 15).

The percentage of commission as related to gross profits paid to managers and senior staff amounted to 5.46% in Sterling companies and 3.84% in Rupee Non-Indian companies. (Para 16).

In the case of Sterling companies because of the higher incidence of taxation, the ratio of profit after tax to profit before tax is the lowest. (Para 17).

Rupee Non-Indian companies made a greater percentage of net profit after tax on net worth than Indian companies under Indian managing agencies. Sterling companies showed the smallest percentage of net profit after tax on net worth. Analysed in proportion to acreage the Indian companies showed according to figures of the Reserve Bank an average net profit after tax of Rs. 119 per acre, while the Rupee Non-Indian companies showed Rs. 155. Our own figures showed the same trends. Sterling companies according to our figures had a net profit after tax of Rs. 42 per acre. The same trends were seen when net profit after tax was related to 100 lbs. (Para 18).

The percentage of dividends to profits after tax was high between 1951 and 1953 in Sterling and Indian companies.

As related to paid-up capital, dividends (24.76%) were highest in Rupee Non-Indian companies in 1953. They were lower in Indian companies (13% to 20%) and Sterling (5.61%). In 1953, 3 out of 4 Sterling companies, 2 out of 3 Rupee Non-Indian companies, and 4 out of 10 Indian companies paid a dividend of 20 to 39% on ordinary shares.

The remaining one Rupee Non-Indian and 3 Indian paid a dividend between 10 and 19%. The remaining 3 Indian paid less than 10%. The figures of the Reserve Bank showed that the percentage of distributed profits as related to paid-up capital was 9.7 for Indian companies and 20 for Rupee Non-Indian companies, and as related to net worth was 7.6 and 12 respectively. Dividend per acre was Rs. 85 for Indian and Rs. 100 for Rupee Non-Indian Companies. (Para 19).

On the basis of four month's costs of production the estimated average working capital in 1953 was Rs. 92.3 per acre. (Para 2).

Chapter IX Finance.

Bank advances constitute only a very small percentage of total working capital employed by rubber producers. The interest on these advances averaged between $4\frac{1}{2}\%$ to 12% and one bank charged in addition to interest a commission of 2 annas per cent. We consider that the levy by some of the banks of a commission in addition to interest is unjustified, and accordingly recommend that the Reserve Bank may use their good offices with the banks and where necessary use their legal powers under section 21 (2) of the Banking Companies Act so that the levy is discontinued. (Para 2).

Rubber dealers also advance money to producers. The dealers charged an interest which though nominal in some cases, generally varied between 2 and 6%. Sometimes, the rates were as high as 9 to 12%. They also collected in addition to the interest, a commission on the sale proceeds. (Para 3).

We observe that most of the companies and the larger proprietary concerns have generally no difficulties in obtaining short term finance. Certain difficulties have, however, been expressed by a section of the small companies and proprietary concerns. The financial difficulties of this section of the industry can only be removed by the State Bank providing finance in an abundant measure to the producers. With the opening of the branches of the State Bank in the rural areas, and the consequent development of more abundant credit facilities and with the development of the co-operative credit institutions recommended by us in a later chapter, we expect that the difficulties of the rubber companies and proprietary concerns in obtaining short-term loans should largely disappear.

The State Bank should also offer the facilities of extending the period of short-term loans by renewals when the former could not be repaid in time due to unforeseen circumstances. (Pāra 5).

Chapter X Expansion and Development of natural rubber.

The serious problem facing the rubber plantation industry is the competition from the synthetic.

In India, the Government have now under consideration a proposal to establish a synthetic rubber plant. The fact that government have on hand such a scheme would itself cause nervousness among natural rubber producers and make them hesitant in launching on further investment in plantation rubber.

The scheme of production of synthetic rubber has to be co-ordinated with that of natural rubber so that rubber growers may have no cause for dismay. We feel, therefore, that Govrnment should make a clear statement of policy about rubber development to remove the apprehensions of rubber growers. (Para 1).

With the threat of formidable competition from the synthetic, the plantation industry's hope lies in reducing by all possible means the cost of production to the minimum. (Para 2).

Any scheme of replanting from the point of view of increasing the yields should provide for replacement of low-yielding trees. (Para 4).

If consumption proceeds at the rate at which it has increased in the past few years, the consumption would be 40,000 tons in 1960 and 65,000 tons in 1970. (Para 2).

Section B Estimate of area to be replanted.

Making a broad estimate, the Rubber Board said as follows in its recent pamphlet on replanting:—

"Nearly 80% of our 2 lakhs of acres is under unselected low-yielding strains of rubber planted from 1902 onwards. More than half the tress in this area have outlived their economic life." (Para 11).

If we estimate the demand for the next ten years till 1965, the extra production that will be needed will be about 20,000 tons which can be produced from 1.2 lakhs of acres of high-yielding rubber on the assumption of an yield of 800 lbs. per acre. The minimum area that should be brought under high-yielding rubber may, therefore, be fixed at 1.2 lakhs of acre. (Para 12).

A certain amount of *new* planting will be necessary to meet the loss in production. Further, certain small estates may need extension by new planting. Small holders too should be helped to own at least a minimum of 4 acres which is considered the minimum unit for a single tapper. Some estates will need substitute acreage as new planting owing to unsuitability of lands for replanting. Some may need expansion.

At present Government have sanctioned a scheme of 70,000 acres to be replanted with high-yielding rubber trees, within a period of ten years. We recommend that this target should be reached within a period of seven years instead of ten years. We further recommend that an area of 50,000 acres should also be set apart for new planting with high-yielding trees.

The sanctioned area of 70,000 acres for replanting may be alloted as 35,000 for estates over 50 acres and 35,000 for small growers holding 50 acres and below. In a similar manner the proposed new planting area of 50,000 acres may be divided as half and half for each of the groups. (Para 13).

Section C Review of certain aspects of working of the Industry.

The Rubber Board has expressed the inability of the industry to catch up with the demand in the following words:—

"At the rate of replanting and new planting which have been carried out in recent years, indigenous production might not catch up at all with the the internal consumption." (Para 1).

Commenting on the results of maintaining aged trees the report of the Tariff Board concluded:—

"Many of the plantations are old and their average yields have gone down considerably. Though some of these estates have replanted to some extent the benefits of such replanting have not so far significantly affected total production." (Para 2).

The statement given in Annexure XXIII will show that out of total plantings from 1939 to 1955 by both estates and holdings, 88% was contributed by new plantings and only 12% by replanting. (Para 3).

Deterioration in rubber trees has been brought about by intensive tapping during the war. (Para 4).

Poor cultural practices were also a factor responsible for low yields. (Para 5).

The present plight of the industry may be attributed to the policy of price guarantee since 1943 which was unaccompanied by a regulation of production techniques and profit allocations. It paid the producer to keep even the oldest trees despite their poor yields. One consequence of price regulation has been the continuance of some companies and proprietary concerns with low production and high costs. Absence of free competition among the producers retained inefficient, low yielding, and high cost units. (Para 6).

As Government have sheltered the Industry by restricting imports and fixing a price, it becomes necessary that the standards of estate-maintenance, production costs, and distribution of profits should be reviewed from time to time so that it may be ensured that inefficient and uneconomic practices are not allowed to be continued in the industry. (Para 6).

We have suggested in our report on Tea that dividends might by reduced by 50% in order to increase the internal resources for replanting and meeting costs of labour welfare. We have similarly recommended in the report on Coffee that dividends and managing agency commission should be reduced. These recommendations also apply to Rubber. We recommend that dividends and managing agency commission should be reduced in those companies where they are on the high side. (Para 7).

The Commission's recommendations in order to improve efficiency and to bring down administrative costs made in respect of Tea and Coffee in paragraphs 8 to 13 of chapter XIX and paragraph 7 of chapter XVIII of the reports on Tea and Coffee respectively have an equal application to Rubber. (Para 8).

The amount included in the price as rehabilitation allowance has not been fully used by the industry for that purpose. (Para 10).

The Industry does not also appear to have built up a depreciation fund out of the amounts made available in the price structure. (Para 12).

Our own figures of the area to be replanted and the available working funds indicate that not all companies have adequate funds to meet their replanting needs. The estates will need loans to supplement the rehabilitation allowance included in the price structure if a rapid programme of replanting is to proceed smoothly. In addition, the estates will also need long term loans for buildings, plant and machinery.

We recommend that the Industrial Finance Corporation and the Co-operative Land Mortgage Banks of the States in which rubber estates are situated, should meet all these needs. The State Finance Corporations will have also to provide finance for repayment of past debts in suitable cases. Future financing will be thwarted so long as old debts remained.

While there could be no relief to estates heavily indebted, it should be possible to redeem those having potential repaying capacity by arranging for sale of a portion, adjusting the loans to actual sum of debt and a fair rate of interest, granting instalments of repayments and repaying the creditors. Such cases would need study by the Rubber Board. The State Finance Corporations and the State Co-operative Land Mortgage Banks should provide long-term finance in the case of estates which would work successfully with a redemption of their debts. If a sympathetic policy is followed by these institutions, the financial needs of the rubber estates for medium and long-term loans for productive purposes will be largely met.

The State Finance Corporations when considering applications for loans from rubber estates will no doubt need the service of experts for the scrutiny

of technical aspects of the applications. For this purpose we suggest that they, in consultation with the Rnbber Board, should appoint a panel of experts of standing with specialised knowledge of rubber production. The experts may be persons drawn from the industry or from the expert staff of the Rubber Board.

The Rubber Board should have a Plantation Finance Committee which should keep a close watch on the financial needs of the rubber industry and it should discuss the financial requirements of the rubber industry not only with the State Bank of India and the State Finance Corporations and Co-operative Banks but also with Commercial Banks, and other financing institutions. It may also advise the government regarding provision of loan finance on easy terms to the rubber growers through one of the existing institutions. If this committee finds that as a result of experience of the working of the Finance Corporations and other financial institutions, they are not in a position to meet the long-term needs of the rubber industry, it may make necessary recommendations for the establishment of a new Financial Institution under the auspices of the Rubber Board. (Para 14).

Section D. A Replanting programme.

Though financial provision for replanting was specifically included in the price, the industry was tardy in the matter of replanting.

We recommend that the following principles should be observed in regulating replanting and new planting of rubber.

(i) The provision in the Rubber Act for licensing replanting or new planting should be rigorously enforced.

(ii) Replanting and new planting should be allowed only in areas suitable for rubber. In permitting new planting, care should be taken to examine unsuitable areas under rubber, if any. in the estate concerned, and in full consultation with the estate-owners, a phased programme of abandonment of such areas should also be prepared. A survey by the Rubber Board may be necessary to mark out areas which are unsuitable for replanting and those which may be suitable for new planting.

(iii) Replanting and new planting should be allowed only with high-yielding planting material approved by the Rubber Board. The Board should for this purpose arrange to provide good planting material from approved nurseries and seed distributing centres.

(iv) In sanctioning replanting and new planting the Rubber Board should keep in view the latest developments in the field of synthetic rubber and the estimated demand for rubber.

(v) If the applications for replanting and new planting permits exceed the target fixed for replanting and new planting the rubber Board should in issuing licenses give priorities to smaller holdings and smaller estates.

(vi) In issuing licenses for new plantings to existing concerns, due note should be taken regarding the fulfilment of their phased replanting programme, as described in a later paragraph in this section. Further, in sanctioning future expansion, care has to be taken to see that concentration of rubber area is not unduly increased in the hands of a few concerns.

Besides the above principles, it is for the Government of India to consider as to how far it would be desirable to permit expansion of the Non-Indian sector in this strategic and sheltered industry. (Para 2).

We recommend that the element provided in the price for replanting should be separately funded with the Rubber Board to the credit of each estate and withdrawals allowed only for the specific purpose of replanting. This fund may be called the Rubber Replanting Fund. The amount standing

to the credit of an estate in the Replanting Fund should go with the estate when it is transferred by sale or otherwise, to be held and used in the same manner. As regards recovery of the unspent balance of the provision for replanting since October, 1952, there are only two ways of doing it. The one is that the existing working funds should be fully used and the second is that financial provision should be made for replanting programmes before declaring dividends or repatriating capital in the future. (Para 4).

A phased programme of replanting for each estate to be implemented over a reasonable period should be drawn up, taking into consideration its internal resources, the sum available in the Replanting Fund, and the borrowings possible from the State Finance Corporations. This phased programme of replanting should continue even when estates are transferred. In estimating internal resources, in as-much-as the present plight of the industry is due largely to distribution of profits in the past without making provision for depreciation of trees even though it was provided for in the sanctioned price, the amount needed for renewing the trees should come from future profits. Maximum use of future profits for a replanting programme before distributing dividends or repatriating profits will therefore be justifiable.

A programme of this kind namely a replanting fund invested with the Rubber Board, the preparation of a phased programme of replanting in full consultation with producers which they should carry out, a maximum use of working funds along with borrowings, a control over distribution and repatriation of profits for some years where necessary in order to repay borrowings and meet replanting costs in each year, a continuing liability on new buyers to execute the programme, a development staff for advise, penal provisions against defaulters, and resumption of estates under the provisions similar to those under Industries (Development and Regulation) Act reluctantly as an unavoidable last resort will meet the ends of developing the natural rubber industry. (Para 5).

Our recommendation is that the amount which has been specifically included in the price structure for purposes of replanting as well as the amount in the cess fund which it is proposed to use as replanting subsidy should be put in the Rubber Replanting Fund of each estate in the case of estates and each holding in the case of holdings over 15 acres. With an increase in the area of high-yielding trees, the 'replanting cess' may be reduced from time to time. We also propose that the phased programme of replanting should take due note of this replanting fund available to each estate and enforce maximum replanting by its utilisation. More funds will accrue in estates having larger yields. In their case more replanting will have to be insisted on as long as backlogs of replanting are there so that they may fully utlilse their funds. (Para 6)

We recommend that holders of 15 acres and below should be made liable to pay only that portion of the cess which is intended to cover administrative, research and other expenses af the Rubber Board but not the element which is to cover the replanting subsidy.

A feasible method from the administrative point of view would be to collect this reduced cess in the case of small holdings of 15 acres and less on the basis of acreage.

Such an amount can be easily collected by state governments, along with land revenue and paid to the Rubber Board after deducting reasonable charges for collection. (Para 7).

Section E. The new replanting subsidy scheme.

The proposals for replanting have been already delayed by 5 years since the Development Committee reported. Therefore, the phasing should not be too long. (Para 4).

The replanting programme should not be left to the free will of the estates. The Rubber Board in consultation with the producers should draw up a phased programme for each estate and see that it is implemented. (Para 5).

There should be an exceptionally strong case for granting subsidy. There is no case for subsidy except for those whose earnings leave no surplus for investment or are inadequate for their maintenance. Even in such cases controlled credit over a long-term may be far more useful than a charity grant. (Para 7).

Section F. New Planting.

New planting may be necessary to make uneconomic holdings economic. New planting as a substitute for unsuitable areas in the case of subsistence owners may be justifiable. (Para 1).

In the case of estates and the larger holdings, new plantings may be permitted in the case of those who have no arrears of replantings and those who conform to the phased programme of replanting drawn up by the Rubber Board. Certain exceptions may be made in the case of undersized companies which may need their areas to be increased.

While one is not sure of the future of natural rubber, expansion should be limited to demand and related to the production of synthetic rubber. It will not be therefore wise to permit any new planting without proper regulation. Generally, estate owners will find it difficult to undertake at the same time both replanting and new planting with their own resources. But when they are permitted to do so, loans should be made available to them by the State Finance Corporations for new plantings also.

For the purpose of maintaining production at the required level, both the new planting and the replanting schemes will have to proceed together. Lands for new planting will have to be approved as suitable. A technical survey will have to be conducted for this purpose. In the allocation of land for new plantings under the various management groups in the industry, care should be taken to see that development does not result in increasing disparities between the several sectors or lead to concentration of production is a few hands. (Para 2).

Section G. Labour Relations.

We have referred to labour conditions in detail in the Tea and Coffee reports. The recommendations in these reports have an equal application to rubber.

Notification of a minimum wage is based on the number of consumption units and the number of earning members in a family and these may not be uniform in these three industries. Secondly, minimum wages should not markedly differ from State to State as otherwise these would thereby affect the profits of the industry and create discontent among labourers also. Thirdly, in industries such as coffee and rubber in which the minimum price is sanctioned by the Central Government on the basis of costs, a substantial element of which is wages, consultation with the price-sanctioning authority is necessary in changing the minimum wage, as otherwise the price sanctioned may have no relation to costs.

A single labourer may have to perform all kinds of work in small holdings. The small holder should therefore be free to engage labour on the minimum time wage.

Labour relations' are not as happy as one would like them to be. This affects the efficiency of the industry. We have dealt with this subject in detail in the Report on Tea. (Para 1).

Section H. Sale of Rubber Estates.

Purchase of estates at high prices affect the financial soundness of the industry.

Wrong valuations have serious consequences to the industry. It may lead to over-capitalisation and may affect the foreign exchange position on account of repatriation of the sale proceeds of Sterling estates.

Proper valuation is particularly important in case of rubber in which the state notifies a price based on cost of production and a reasonable return on capital invested. (Para 1).

It is necessary to have definite rules of guidance and standardised forms giving full descriptions of the condition of the estates so that the subjective element in the valuation is reduced to the minimum. (Para 2).

We have made certain recommendations in our reports on Tea and Coffee regarding regulation of land sales. They have an equal application to rubber. (Para 3).

Chapter XI The small grower in the Raw rubber Industry.

A very large number of small holdings exist in the Indian rubber plantation industry. These are largely concentrated in the Kottayam district of Travancore.

This concentration should facilitate the successful promotion of state-partnered co-operaitves among the small holders. (Para 2).

The second fact to be noted about small growers is their reliance on mixed crops for their livelihood.

The diversified economy makes small units less vulnerable to price falls. (Para 3)

In small units tapping may be increased or decreased when prices rise or fall more easily than in case of the larger plantations with their heavier overhead charges. (Para 4).

The small growers suffered under many handicaps which have resulted in their stunted growth.

The International Rubber Regulation Agreement which operated between 1934 and 1942 affected adversely the expansion particularly of small holdings. (Para 5)

Compared to estates, the small holdings area rapidly expanded in a free economy between 1925 and 1928; depression had its effect on the expansion thereafter; the International Agreement restricted it further; during the war, the removal of restriction on plantings and the Government purchase scheme at fixed prices gave a fillip to expansion. Since 1947 the rate of planting of small holdings began however to decrease with the reductions in the notified price.

Replantings also have been very poor. (Para 6).

That the small growers have, despite severe odds, continued to retain a place in the rubber economy is proof of their resilience. They have further shown in recent years a keen desire for using high-yielding planting material out of their own resources. (Para 9).

If the whole area of trees older than 30 years and that of ordinary low-yielding trees of 30 years and less is compared to the total area, the needs of replanting are greater under small holdings. (Para 10).

While in estates the area of low-yielding trees decreased between 1950 and 1954, it increased under small holdings. (Para 11).

The main problem of the small grower is insufficiency of land.

A minimum holding from the point of view of giving a minimum area for a single tapper is 4 acres. A rubber holding should in the least comprise an area of 4 acres. (Para 12).

Unless fixity of tenure is assured, and fair rents on rubber lands frozen at the level existing before planting of high-yielding trees by the tenant and rents were not raised from time to time with the greater improvements made by the tenant and compensation for improvements provided in case of surrender of the land, the benefits of replanting and new planting will not satisfactorily reach the tenant. In addition to such a land reform, there will always be the need in rubber holdings for an agency to take charge of leased properties, so as to maintain them in efficient condition and pay also a rent to the owner. (Para 13).

The quantum of debt of these holdings is not excessive. (Para 14)

We recommend the establishment of central clonal seedling nurseries and instruction in improved and less severe methods of tapping for small holders. (Para 15).

The small holder suffers for want of rollers to machine the rubber sheet.

He is not interested in improving the quality when the dealer purchases in lots without reference to proper grading. His equipments being cheap are poor in quality. They may not have the case of use and may sometimes affect the quality of rubber. What is needed is a chain of primary co-operative societies maintaining smoke houses for taking delivery of the latex of small holders and make smoked sheets of uniform and good quality. (Para 16).

There is considerable scope for expansion of latex marketing if state-partnered processing co-operative factories for this purpose are started.

These processing societies will have to combine marketing along with processing. (Para 17).

The Rubber Board wanted that the small holders should take the initiative in forming such societies; the latter had little resources of their own to fight the powerful money-lender-cum-big producer who was connected with the big business of rubber manufacturers.

The co-operative officers did not evince any interest in promoting such societies. (Para 18).

In our report on Coffee we have analysed the problem of credit of the small producer and suggested certain remedies. In Rubber the place of the small producer is even larger than in Coffee. The remedies we have suggested in the report on coffee apply to rubber also. (Para 20).

Primary co-operative societies of a multipurpose character are in the first place essential if full finance for the crop is to be satisfactorily provided to the small holder. The rubber grower required supplies by way of manures, spraying materials and tools for tapping and husbandry. He also needed help in processing and marketing his rubber. The primary societies should therefore be able to provide short-term credit and the supplies and services required. It will include in its membership all rubber growers big and small. It will be the agency for implementing the subsidy and assistance scheme in respect of holders having 15 acres and less proposed by us. (Para 21)

The function of this Multi-Purpose Co-operative Society should not merely be the provision of credit, supplies and marketing but also the introduction of improved methods of rubber production and processing and helping to carry out the targets of production according to the plans of the Rubber Board.

As we have recommended in the case of Coffee we recommend in the case or Rubber also that the Reserve Bank may consider granting of permission for the formation of a special Rubber Co-operative Central Bank for the

Rubber growing areas which though spread over different states are located mainly on the south-west coastal belt. Such a Bank may provide the necessary supervision for these societies. (Para 22).

For successful working, the societies will have to be of adequate size to sustain a whole time trained manager and full complement of necessary staff. (Para 22).

Any additional funds for the maintenance of a trained manager should come from the Rubber Board in so far as this manager helps the advisory service in its extension work. (Para 22).

The main problem in the provision of long-term credit to the small holders who are largely subsistence farmers is that they have no security to offer except their holdings, returns from which will be barely sufficient for maintaining themselves and their families. Their replanted and new planted areas could be offered as security but ordinary financial institutions may not be willing to advance long-term loans on their security. Recovery of loan will not be possible during the non-productive period of a replanting or newplanted area and the full loan will take about 25 to 30 years to be repaid. (Para 23).

As we have recommended in the case of Coffee the solution of this difficult problem lies in the formation of state-partnered co-operative joint farming societies on the lines recommended in our report on coffee. Such a society will provide intensive supervision, preparatory services for replanting and new planting, long-term and shot-term loans, services, supplies and processing as in ordinary multipurpose primary societies. (Para 24).

The use of the word 'joint-farming' should not be taken to mean pooling of lands of small holders. Cultivation in individual family holdings need not be disturbed. But uprooting of low-yielding trees, clearing of new areas, maintenance of nurseries, and budgrafting may be done jointly. Areas granted to small holders for new planting may get common services as above mentioned. Areas which are relinquished may need the care of such societies until new settlers are found. Some owners may prefer to leave their lands to the society when they themselves do not cultivate. Such holdings too may have to be taken care of. A plan of supplementary crops and/or livestock and poultry rearing may have to be promoted as an adjunct of small subsistence holdings. Joint-farming should be interpreted in this sense' and not as pooling of lands as a large-sized plantation. (Para 24).

We have in this scheme provided at the bottom for ordinary multipurpose primary societies and joint-farming societies of small growers of rubber. They will have to be fostered by a central co-operative bank, a central supply society, and a central marketing society. As there is no marketing agency for rubber as in the case of Coffee, central marketing societies are necessary to collect latex directly and process it or collect the smoke sheets where primary multi-purpose societies undertake processing. The primaries will be affiliated to them. The marketing societies should purchase outright the rubber and collect a charge for meeting administrative expenses and losses in marketing. They should provide the service of grading. It should be a condition of the license granted to the manufacturers for the purchase of rubber that they should preferentially purchase rubber from these societies. The societies should have their warehouses and special grading inspectors. These societies should be partnered by the Rubber Board. The Board and the affiliated societies will hold shares in these societies. A certain number of directors will be nominated by the Board. Others will be elected by the affiliated primaries. Care should be taken to see that the directors

have no personal interest in marketing as dealers and represent only the producers. The senior staff of these societies shall be appointed by the Board. The societies will get marketing finance on the pledge of produce from the Reserve Bank through the proposed Rubber Co-operative Central Bank. (Para 25).

In distributing permits for replanting, a certain percentage of area will have to be fixed as the maximum for each estates or small holding. Small holders holding below 15 acres should be allowed to replant and new plant a minimum of 4 acres though it exceeds this percentage. (Para 28).

The problem of accelerated replanting is mainly one of drive, intense supervision, co-ordination of various activities of different agencies, and the active co-operation of the grower. The problem therefore is one of providing an administration to work at high pressure. Need for caution is equally great in the matter of proper recruitment of the personnel, training supervision and direction. A special programme of this kind will have to be implemented on the lines of community projects through provision of targest, well-designed co-ordination, an adequate decentralised staff under a central administration, periodical meetings, a pursuit of targets round the year, and public co-operation. As mentioned in the report on coffee there should be a development officer in charge of development and the subsidy and co-operative schemes for small growers below 50 acres. Public co-operation should be fully enlisted by forming local associations. Instructional leaflets, talks and demonstrations by the staff courses of instruction in replanting, appointment of small holders in local committees, who thereby get opportunites to receive upto date information on replanting, may all be necessary for the education of the small holder in improved practices. (Para 29)

As far as possible, subsidies should be for collective services, and in kind. Even a long-term loan over a long period, either interest-free or at a nominal rate of interest, has an element of subsidy in it. (Para 30).

Just as there is provision for suspension and remission of land revenue in years of failure of crops, some amount of irrecoverable loans due to the causes mentioned above may have to be written off. (Para 31).

Services of this nature which contain an element of subsidy may have to be provided in respect of growers of less than 15 acres. (Para 32).

We have stated elsewhere that the total area for replanting to be allocated to small holders of 50 acres and below should be half of 70,000 acres which is the area that is now planned for (i.e., 35,000 acres). We recommend that out of this 35,000 acres, the Rubber Board should allocate a suitable area for replanting by holders below 15 acres taking into account, the conditions of trees and other relevant factors. The area to be allocated for replanting by those holding less than 15 acres may roughly be taken as not less than 21,000 acres, making an allocation on the basis of proportion of the area under the group below 15 acres and the group between 15 and 50 acres. We have also stated that an area of 25,000 acres should be set apart for new planting by small holders of 50 acres and below. Out of this about 12,000 acres may be set apart as a provision for making uneconomic units of less than 4 acres into holdings of 4 acres. On an average, this will provide for 6,000 uneconomic units of 2 acres each to be increased to 4 acre units. The proportion fixed for new planting by small holders should not be a rigid one. In view of the existence of 25,000 uneconomic units needing added lands, whatever is not taken up by medium growers holding between 15 and 50 acres should also be used for new planting by those holding 15 acres and below. The cost of replanting in the case of small holders may be taken as less than for estates since the former have far less overheads to meet. We

have estimated the cost of replanting for estates at Rs. 1,400 per acre. In the case of small holders the cost for replanting as well as new planting may be roughly put at about Rs. 1,000 per acre. The cost of replanting 21,000 acres and new planting 12,000 acres (exclusive of cost of land) would thus work to about Rs. 3.3 crores, spread over a seven year period i. e. about Rs. 48 lakhs per year. (Para 34).

A part of this amount should be met by the small holders from the element for replanting provided in the price of rubber and the reduction in the cess recommended for them. We feel that the balance can be made available by a surcharge on excise on tyre manufactures of about 2% *ad-valorem*. We accordingly recommend that such a surcharge on excise be levied on tyre manufactures to provide for a small holders' assistance fund. The small holders' assistance Fund should be administered by the Chairman of the Rubber Board in consultation with a committee of small holders. The Chairman will use the agency of the co-operative institutions as far as possible in implementing the scheme of subsidy and loans.

When the co-operative institutions recommended by us come into being, we expect that all the small holders will become their members. When this is done, our recommendations for formation of a compulsory Replanting Fund in the case of estates and holdings above 15 acres should also apply to these holders of 15 acres and below. The Replanting Fund would then consist of the element allowed in the price structure as an allowance for replanting and the reduction in the cess which we have recommended for them. Both these amounts would be collected from each holder and credited to a separate Replanting Fund for each holding to be maintained and administered by the co-operative societies when they are formed. The loans granted to these small holders would then be adjusted against the amounts accruing to the Replanting Fund as we contemplate the State Finance Corporations and other financing agencies to do on behalf of the larger estates. (Para 37).

Chapter XII. Research, training & advisory services.

The advisory staff and the extension service will not be able to function effectively unless they have the support of the local planting community whom they have to help and serve. We recommend that the Rubber Board should organise regional advisory committees consisting of representatives of influential planters whose help will be available to the Advisory Officers to facilitate their work by securing necessary local co-operation. (Para 5).

We recommend that the Rubber Board in consultation with the industry should organise a training course in suitable places in rubber growing regions. The nature and the course of training, the number of people to be trained, the methods of selection and other details connected with the training scheme should be worked out by the Rubber Board and the Research Station. We hope that the future entrants into the rubber industry as managers and supervisors in the plantations would be recruited from those who have undergone this preliminary training. (Para 6).

The additional activities other than Research and extension, namely, training and education may form part of the Research Institute and the proposed extension service. (Para 6).

We recommend that the Rubber Board under its Extension Department should have mobile pest-fighting units which could be sent round from estate to estate to help the planters towards better plant-protection. The services of these mobile teams should be made available to all rubber growers at rates depending on the size of their holdings. The administration of this service should be by a staff of field workers which should be separate from the

extension service, though the extension service and the pest control units must act in close co-operation with each other. (Para 7).

The standards of cultivation in rubber, particularly for small growers, have to be raised. While the extension service proposed will certainly help in this direction, a planned programme of targets may have to be reached. Persuasion may in the last resort require some sanction, more as a deterrant than for actual enforcement. The Second Five-Year Plan has provided for it in respect of maintenance of standards of husbandry in other agriculture lands. We recommend that such sanctions should also apply for rubber.

Chapter XIII. The machinery for control of plantation industries.

There is need for some organisational changes for the control and development of the Tea, Coffee and Rubber industries. (Para 1).

Our proposals place greater responsibilities on the three Boards and consequently increase the supervisory responsibilities of the Central Government. (Para 1)

Control of industries also brings with it the formulation af policies from time to time and the issue of directions and rules to carry them out. (Para 1).

Fact finding by an independent agency is necessary in respect of costs on which price-notifications or basic prices are based. Guidance and standardised rules will be necessary in respect of improvement of fixed assets and standards of cultivation and review of costs and profits. (Para 3)

To advise the executive there should be a suitable organisation of sufficient status and knowledge of the problems of the three industries. (Para 5).

We need a body whose experience and recommendations will be available to the Government in formulating policies affecting production, prices, regulation of consumption and exports, and taxation concerning the three plantation industries; this body could look after the proposed Central Plantation Labour Welfare Organisation also. (Para 5).

What is required is a specialised agency which will be able to take an objective view of the problems involved and make recommendations to the government. It will review the working of the Boards and help them in the performance of their functions. It will provide the fact-finding staff for costing. It will lay down for the three Boards common rules of procedure. It will act as the co-ordinating centre in dealing with other departments. Consultation with it will be obligatory on the Ministry. This will enable the government to have the considered views of an experienced and independent body on important questions of policy on which Government have to take a decision. (Para 7).

We, therefore, recommend that such a body be set up to regulate the three plantation industries. (Para 7).

Summary.

According to our terms of reference we have to make recommendations to Government on the measures necessary:

(a) to secure for the producer a fair price for his product and to the consumer a fair price for the article he buys;

(b) to enable the provision of necessary finance for the plantation industries;

(c) to ensure suitable marketing arrangements; and

(d) to develop and expand the tea, coffee and rubber plantation industries.

In Parts I and II we have made recommendations on these points for the tea and coffee industries. For the rubber industry, at the relevant places in the earlier chapters of this part we have already made our recommendations on these points. Thus, we have in the chapter on marketing shown from the figures of costs furnished by the reporting units of the industry, that the present minimum price which is based on cost of production plus return on investment, is adequate and fair to the average grower. Those who get higher yields make more profits. For those whose production is below average, the return is somewhat less, and for them the hope lies in replanting with high yielding materials. So far as the consumer is concerned, his interests are safeguarded by the notification of a maximum price. Both the producer and consumer will stand to benefit further in a substantial measure if the replanting schemes recommended by us are implemented.

In regard to finance, we have in the chapters on Finance, Expansion and Development of natural rubber, and the Small Grower made recommendations for financing the industry's short-term and long-term needs.

Regarding marketing, our view is that it is only the small producers who need assistance and for them measures have been recommended in the chapter on 'Small Grower' for formation of co-operatives for processing as well as marketing. In the chapter on marketing of rubber, has been suggested certain measures which, if implemented, would remove some of the minor difficulties which beset both the small and large producers.

The development of the industry depends on how successfully and speedily the replanting needs are carried out. Side by side with replanting there should also be planned expansion of acreage and if these are carried out in the manner recommended in the chapter on Expansion and Development, costs will be reduced and the industry can hope to withstand the competition from synthetic rubber, should it arise in the future. We have also made proposals for financing replanting which is very necessary for the industry's survival in the face of the threat from synthetic rubber. These and other measures recommended for the betterment of the assets of the industry, in the relevant chapters, will go a long way in meeting the development needs. We have also recommended that there should be a development staff with the Rubber Board and that the Board should also provide adequate advisory services and co-ordinate scientific research.

We have now come to the end of our work. Before we conclude we wish to thank once again the assessors who accompanied us on our tours at great personal inconvenience to themselves and helped us to see a good cross section of the rubber industry in the different regions and understand its problems. Our thanks are due to the Ministries of the Government of India for their co-operation in conducting the inquiry. We are grateful to the Reserve Bank of India for having furnished valuable statistical data in connection with our inquiry. We also thank the producers and their organisations in the various rubber growing areas for their help in the conduct of our tours, for having furnished replies to our questionnaire, helped us with their views in our meetings with them and given detailed information on many points on which we had to make references to them. We thank the Rubber Board for the trouble they took in furnishing detailed answers to our questionnaire and to the many references we had to make to them during the course of the enquiry. Our thanks are also due to the Rubber Companies for the facilities granted for visits to their Rubber estates. To them and to the Rubber manufacturing companies and their association our thanks are due for the replies to our questionnaires anh the statistical data furnished. We also thank the Superintendents and managers of the estates we visited for their kind hospitality and for the trouble they took in taking us round their estates and expla-

ining their problems. We also thank the Government Cost Accounts Officers and their staff for the help rendered to us in all the stages of our work.

The brunt of the work of organising and supervising the work of the enquiry fell upon our able Secretary, T. S. Seshukutty, who came to us with a wide back-ground of experience and knowledge of commercial and industrial matters. We are grateful to him for the very able and valuable assistance rendered by him throughout the course of the enquiry. The task of the Research Officer, Shri O. S. Krishnamurthy, was indeed onerous which he discharged with great ability and diligence. After he left us in November, 1955. his successor Shri V. S. Natarajan continued the work with commendable efficiency. On him devolved the brunt of the work at the drafting stages of the report, which he discharged with great ability. Our thanks are due to them. We also thank our staff both on the research and clerical side for the hard work cheerfully done in compiling numerous statistical tables and other statements required from the large volume of evidence and information received.

(P. M. MENON)
(K. G. SIVAWAMY)*
(M. V. MATHUR)

New Delhi, December 16, 1956.

*Subject to dissenting minute.

Minute of Dissent

OF

Sri K. G. Sivaswamy

(Member)

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I—New Planting By The Private Sector

The commission report has proposed new planting to the extent of 25,000 acres by estates holding over 50 acres. It thereby provides for an expansion of the industry by about 25% over the existing area. This expansion is provided for in addition to replanting of 50% of the area requiring replanting (35,000 acres target for the next 7 years out of 70,000 acres of low yielding trees under estates). The issues to be decided when allowing new planting are the following:—

(1) Should expansion be permitted by estates when there are large arrears of low-yielding trees amounting to 70% of the rubber area to be cleared by replanting ?

(2) Has the estate-sector of the industry enough resources and credit worthiness for clearing the arrears of replanting and also undertaking new planting ?

(3) Does the general condition of the industry warrant any reliance on it for new planting ?

(4) What is the evidence given by the industry on our questionnaire in regard to its capacity to raise funds for new planting ?

(5) What are the limits of new planting in an industry with an overwhelming area of low-yielding trees ?

(6) How is the present unregulated rapid expansion to be dealt with?

1. The target aimed at in the report is 35,000 acres of replanting by the uprooting of old low-yielding trees. It is to be completed in 7 years. When there is a balance of another 35,000 low-yielding acres to be uprooted and replanted, is it wise to expand the existing area of one lakh of acres by another 25,000 acres ? It is obvious that all resources should first be used to establish the industry on a sound basis by replacing low-yielding by high yielding trees before permitting it to expand. Or there should be enough resources with the industry to clear all arrears of replanting and also to undertake new planting. The commission report has highlighted the problem that "the industry's hope lies in reducing by all possible means the cost of production to the minimum" which depends, according to the report, on replanting with high yielding planting material. If then replanting is an urgent and an unavoidable problem, provision should be made for replanting not only 35,000 acres in the first seven years but also the remaining 35,000 acres. On the basis of the demand for the next ten years the commission report estimated a certain area of high yielding trees to be new planted. The report naturally does not want to look far beyond in an industry which has to face competition of the synthetic rubber. For this limited demand, if an area of 25,000 acres of new expansion is provided, what is to become of the low-yielding area of 35,000 acres not covered by the proposal? If allowed to remain the problem of high price due to low yield will remain unsolved to this extent. One third of the area will thus remain in a depressed condition without being re-organised to bring down costs and face synthetic competition. If this area is also replanted, production may increase to a greater extent than the report has envisaged, and even if production becomes essential for an increasing

demand after ten years, the industry will have to face capital expenditure not only for 70,000 acres of replanting but also 25,000 acres of new planting. Reference is made in a later para to the resources available which indicate that even on the average without examining individual cases, the estates cannot find the resources for both replanting and new planting.

The history of this industry has been that it has always new-planted but not re-planted. The consequence has been that out of an area of 1.05 lakhs of acres under estates, 54,720 acres comprised trees aged more than 30 years requiring replanting. Even this new planting has not been wholly of high yielding material and the low-yielding area amounted to 14,805 acres. What the market will achieve in a free economy towards hastening uprooting of low yielding trees in years of low prices has been prevented by an uninterrupted assurance of a high price under the international agreement, the bulk purchase scheme during the war, and a notified price which has been increased from time to time under the Rubber Control Act. The high price has helped the continuance of low- yielding trees. The area replanted and total planted was as follows between 1938 and 1955 :—

	Total planting (acres)	*Total replanting* (acres)
Earlier than 1938	64,665	1,899
1938-1954	39,623	14,670

Inadequacy of replanting may not be harmful if the industry has set apart necessary funds annually for replanting in order to renew old trees and uses this fund at the right time for replacing old trees. The commission report said:

> "The industry does not also appear to have built up a depreciation fund for this purpose out of the amounts made available in the price structure."

This is the one industry which was provided with ample funds during the last 8 years and more not merely to cover annual depreciation charges in respect of the wasting asset of the rubber tree but also to meet the cost of clearing arrears of replanting. The economical yielding life of a rubber tree is considered as 33 years and the cost of replanting is estimated as between Rs. 1,000 and Rs. 1,400. The annual provision for replanting at the maximum cost therefore amounted to Rs. 42 per acre yielding 350 lbs., or Rs. 12 per 100 lbs. Since February 1955 the price has been increased by Rs. 12 per 100 lbs. part of which is to meet replanting costs and also by another sum of Rs. 5/12 to meet the cost of increased cess to be paid to the Rubber Board. Half of this increase of Rs. 12 may be estimated as a grant in the price for replanting. A sum of about Rs. 4 out of the sum of Rs. 5/12 is also to be distributed as a replanting subsidy under the scheme of the Rubber Board. An element in the price was provided since October 1952 amounting to Rs. 6.82 per 100 lbs. for replanting. In all, the payment in the price for replanting would amount to about Rs. 17 (Rs. 6+4+6.82) *i.e.*, Rs. 5 more than what is justified on the basis of maximum replanting costs per acre. If normal replanting costs were estimated as Rs. 1,200 per acre, the annual provision would be less *i.e.*, Rs. 10 instead of Rs. 12 per 100 lbs. This would increase the excess payment over the normal provision to Rs. 7 per 100 lbs. instead of Rs. 5. In other words, the consumer of rubber is paying not less than Rs. 5 per 100 lbs. or Rs. 17/8 per acre as a subsidy to the private sector to repair the damage to the industry brought about by its own neglect to replant in the past. And this subsidy is paid with the full knowledge that what was paid since 1948 has not been used for the purpose of replanting. The commission report has urged that hereafter the replanting

fund either for clearing past arrears of replanting or for providing for future depreciation should be separately invested and drawn only for the purpose of replanting. This proposal also provides for interest on this sum to be paid to estate owners even though the subsidy part of it for clearing replanting arrears is not a depreciation charge to which the industry is entitled but a premium for neglect. Whatever form the subsidy for replanting may take, either as a grant in the price structure, or in addition, an interest on it when the Rubber Board maintains it as a replanting fund, it becomes difficult to understand the provision in the report for new expansion by the estate sector, in the fact of existence of a low-yielding area under it. This has been the very ailment from which it has been suffering from since 1938, and which it has failed to cure itself by replanting despite financial assistance, provided for the same.

The report of the commission no doubt recognised the limitations of new planting. It quoted approvingly the statement of the Federal Government of Malaya on the report of the Mudie Mission 1955 as follows :—

> "Neither the government nor the country could afford to see tens of thousands of acres of developed rubber in these areas degenerate into obsolescence. No amout of new planting in new areas, however, desirable that may be, could compensate for the appearance of widespread distress in the old established areas of rubber industry simply due to a failure to replant."

The report no doubt recognises the various limitations of new planting. It says that it should be properly regulated in relation to the production of synthetic rubber and demand. It says that new planting will be necessary to extend the area in small estates or as substitute acreage where lands are unsuitable for replanting. But it has not made an effort to estimate whether for these two purposes a large area of 25,000 acres will be required for new planting by estates holding over 100 acres.

The report has laid down certain general principles which it is obligatory on the Rubber Board to observe in regulating new planting. These are wholesome principles which should be observed. The report says that 'in issuing licenses for new plantings to existing concerns, due note should be taken regarding the fulfilment of their phased replanting programme.' This is unavoidable under the proposals of the report as replanting is a compulsory programme to be completed in 7 years. Estates should complete replanting of 35,000 acres whether they do any new planting or not. And even assuming but not admitting they have resources to do new planting in addition to this programme, there is no reason to permit them to do it while they have another round of 35,000 acres of replanting to do. Replanting itself has been phased as 50% of low yielding area for first 7 years so that estates may not be unduly compelled to execute a programme not consistent with their capacity and resources. If it is considered that estates can also do new planting to the extent of 25,000 acres which according to the report is to proceed together with replanting and hence becomes obligatory to be completed within 7 years, then priority should be for replanting the remaining 50% instead of new expansion, particularly when the purpose of increasing the high yielding area is equaly achieved by it.

The second principle which is obligatory on the licensing authority to observe is,

> "In sanctioning future expansion care has to be taken to see that concentration of rubber area is not unduly increased in the hands of a few concerns."

The report later on says

"In the allocation of land for new plantings under the various management groups in the industry, we repeat, that care should be taken to see that development does not result in increasing disparities between the several sectors or lead to concentration of production in a few hands."

Chapter III of the report showed the following concentration in the rubber plantation.

	Area in acres
2 Sterling companies.	21,624
2 Non-Indian managing Agencies.	12,736
2 Indian managing agencies.	11,171
4 Director controlled Public Ltd.	6,785
2 Indian proprietary concerns.	3,550
Total.	55,866

Out of an estate area of about one lakh of acres, 56% was concentrated in the hands of 12 concerns. If licences for new planting are to conform to the rule that concentration should not be increased and disparities are not also to increase, a certain number of companies can hardly be granted any permit for new planting. The proposed twenty-five thousand acres of new planting by estates may have naturally to be granted to other concerns holding the remaining 44% of the area.

In other words estates with 44,000 acres will have to be expanded by 25,000 acres to 69,000 acres or about 60% of their existing area. Will they be able to bear this large expansion?

New planting means expansion of an industry which is tantamount to the the starting of a new industry. When Sterling and Non-Indian companies are permitted to expend, it means the starting by foreign concerns a new industry with foreign capital in a sheltered and strategic sector. The commission report is doubtful whether expansion may be permitted by foreign concerns and therefore leaves it to government to consider

"as to how far it would be desirable to permit expansion of the non-Indian sector in this strategic and sheltered industry."

Conservation of foreign exchange resources and national self-sufficiency in rubber, these two important objectives of industrial policy, require that new expansion should cease in the Non-Indian concerns. State assistance by way of an assured price can hardly be justified to foreign concerns whose annual profits repatriated amounted to 14% on capital. Neither is rubber an industry in which the country lacks capacities to manage it. Leaving the question of acquisition of Non-Indian estates for the moment, there is absolutely no case for their expansion. Hence there ought to be no new planting by Sterling and Non-Indian companies.

When government considers this question and stops expansion, all the new planting will have to be done by the Indian section. The question will again arise whether the Indian section comprises 60,000 acres can absorb all the 25,000 acres of new planting. And if we exclude the big Indian concerns holding about 22,000 acres as expansion by them will be a breach of the second principle that concentration should not be unduly increased by new plantings, the other Indian units holding about 38,000 acres in all (60,000 acres being their total holding) will have to expand by another 25,000 acres. This will also prove too much to be undertaken by the Indian sector. There is therefore no case for any scheme of new planting by estates except in unavoidable circumstances when substitute areas have to be found in the case of abandonment of inherently unsuitable areas.

2. Even assuming that new planting is permitted only when all low-yielding areas have been replanted, has the industry enough resources to manage both? New planting of 25,000 acres by estates is a definite target to be reached by them in 7 years. It is to proceed together with replanting. Funds must therefore be found simultaneously for new planting along with replanting.

Elsewhere in appendix 'C' is given a statement of the funds available for replanting. As the estate area in the Indian section was about 60,000 acres and as low-yielding area was 78% in the case of estates, such area requiring replanting amounted in all to 42,000 acres. The target proposed for replanting being 35,000 acres for the estates, the target for the Indian section amounted to 21,000 acres for the first seven years (3/5 of 35,000 acres). Statement C showed that on the average the Indian section had adequate funds provided in the price structure for meeting the borrowings in 12 years for replanting 21,000 acres in 7 years. The statement also took account of the available long term funds in the industry (Statement B). If land security alone is taken into consideration on the assumption that a sum of Rs. 375 per acre can be borrowed from banks on low-yielding acres and Rs. 750 per acre on high-yielding areas, it will not suffice on the average for meeting replanting costs of 21,000 acres for the first seven years. (Statement A). But one need not go by the land security available in the concerns when there is an assured and an ample provision in the price for meeting replanting cost. If the State Finance Corporations lend on the security of the replanting fund for a period of 12 years, the first batch of 21,000 acres will be replanted. Loans will have to be taken for another 12 years for replanting the second batch of 21,000 acres. Also there cannot be and ought not to be a provision in the price structure for new expansions. Neither any long-term funds existed with the industry for this purpose. Realising this position the report says:

> "Generally estate owners will find it difficult to undertake at the same time both replanting and new planting with their own resources. But when they are permitted to do so, loans should be made available to them by the State Finance Corporations for new plantings also."

This may be possible if, on the security of the replanting fund, loans for new planting can also be given. But then the recovery of the loan will have to be extended both for replanting and new planting over a very long period. In such a case the price notification should state that the element in the price for replanting could also be used for new planting and the rules of the Replanting Fund should also provide for repayments out of it also towards loans taken for new planting. These are radical changes which need thinking over, and it is doubtful whether government will consider them. It should also be remembered that in making these calculations, the annual normal provision for depreciation of existing trees is not considered at all. We are presuming that the absorption of this provision temporarily for a period to clear arrears of replanting can be made up later on by continuing this large provision for replanting over a longer period until a garden has 3% of immature plants annually for renewal of old trees, or such a financial provision for replanting at a later date. It will be, therefore, difficult to convince the government to advance loans for new expansion through State Finance Corporations until the estate has cleared arrears of replanting and provided for necessary depreciation charges for future replanting.

3. The general condition of the Indian section of the estate industry too was not such as to bear both the burdens of replanting and new planting.

Growth of fixed assets was insignificant, investment was poor in fixed assets, share capital and reserves were not adequate to cover the value of fixed

assets in some companies, share capital was stationary, reserves were poor, and long-term internal resources were little.

14. These are the findings of the Commission as would be evident from the following extracts :—

Insignificant growth of assets.

"A study of the average figures for 4 years 1950-1953 (Reserve Bank figures), show that there has been no growth in the value of land assets of Indian companies while the non-Indian companies show an increase of 16% in all, in their land value per acre. Increase in the investment in buildings plant and machinery is more in the Non-Indian as compared to the Indian companies. The overall picture shows a small increase in fixed assets in Indian companies, to the extent of only 4% between 1950 and 1953, while the Non-Indian companies show an increase of 28%."

"Our own figures showed that between 1939 and 1953, 5 out of 10 Indian companies showed a decline in land assets."

Poor investment in fixed assets.

"As regards investment, out of an increase of 33 lakhs of reserves and savings between 1950 and 1953 in 27 Indian companies, 9 lakhs were invested in fixed assets, while out of an increase of Rs. 12 lakhs under reserves and Rs. 7 lakhs under share capital in Non-Indian companies, Rs. 13 lakhs were invested in fixed assets."

Fixed assets not covered by share capital and reserves and poor long-term funds.

"Paid-up capital was less than the value of net fixed assets according to our own figures and those of the Reserve Bank. 14 out of 24 Indian companies had little long-term funds (share capital plus reserves excluding balance of profits minus fixed assets.). 7 out of these 14 had fixed assets purchased from funds other than their own internal resources, 3 companies had a sum below Rs. 35 per acre and 4 companies had long-term funds between Rs. 35 and Rs. 93 per acre."

No Increase in share Capital.

"According to Reserve Bank figures between 1950-1953 the percentage of increase of share capital was nil in Indian companies. According to our figures there was a decline by 6.39% between 1946 and 1953 in the Indian companies under Managing agents and share capital was stationary in the Director controlled companies between 1946 and 1953."

Poor reserves.

"If we divide the increase of reserves per acre during the 14 years 1939 to 1953 and find the average annual increase per acre, it would amount to Rs. 27 for Sterling, Rs. 25 for Non-Indian, Rs. 18 for Indian and Rs. 11 for Director Controlled companies. According to Reserve Bank figures addition to Reserves amounted to Rs. 33 per acre annually between 1950-1953 in Indian Companies."

Poor long-term funds.

"The available long term funds (share capital and reserves excluding balance of profits minus net fixed assets) may be estimated to be of the order of Rs. 310 for Sterling, Rs. 216 for Non-Indian companies and Rs. 91 for Indian companies."

The review of the industry in the report was also not encouraging enough for permitting new expansion. Reference has been already made to inadequacy of replanting and negligence to build a depreciation fund for this purpose. The following extracts from the report showed certain other defects in the industry.

"Absence of free competition among the producers retained inefficient low yielding and high-cost units."

"41% of 17 Indian companies paid a managing agency commission (average for 1950-53) over the statutory 11% as provided by the company Act in 1955."

"4 out of 10 Indian companies studied, showed a dividend of 20 to 39% on ordinary shares and 3 paid a dividend between 10 to 19% in 1953. The Reserve Bank figures for 24 Rupee companies showed similar trends."

"Purchase of estates at high values has resulted in over-capitalisation and, consequent stinting of expenditure on legitimate items."

"Proper labour relations on which depended the future of the industry were not as happy as one would wish them to be."

4. The industry too was no hopeful of new planting unless long term loans were granted to the extent of Rs. 750 per acre to be realised in a period of 25 years and interest was free or deferred for the first 8 years. The Rubber Board wanted this assistance as otherwise, according to its evidence.

"at the rate of replanting and new planting which have been carried out in recent years indigenous production might not catch up at all with the internal consumption."

The U. P. A. S. I. said in its evidence that

"It is not possible to raise funds from the investment market since no investor can see any adequate return for this investment."

The small holders' representatives in the Rubber Board said:

"If new planting is left to private enterprise as before, it is likely to remain as incipient and ineffective as during the past years."

5 (a) New planting or expansion in an industry which has to uproot 70% of its trees and replant can never be an absolute programme but can only arise as complement to replanting, as for instance when large areas are unsuitable and have to be abandoned, or where undersized companies required expansion and could not be helped otherwise by amalgamation, or as a adjuncts to central factories for processing rubber. New plantings has also a large place in the sector of small holdings in making about 23,000 uneconomic units of an average size of 2 acres economic.

5 (b) New planting is dependent on a proper land-use survey. The report of the Mission organised by the international Bank for Reconstruction and Development on the economic Development of Malaya said:—

"We recognise that it is necessary to consider other possible uses of land before its alienation to rubber, e.g., where mining opportunities are indicated, where forest reserves have overriding priority in the interest of conservation, or where lands are more suitable for development in large unified projects than individual holdings."

The report of the same Bank on Ceylon said:

"Policy should concentrate on the improvement of that part of the existing rubber area which can already produce the quantity expected to be marketed in the future. The total area under rubber should not be increased and might even be reduced. There is accordingly no need to search for new lands suitable for rubber cultivation."

The Mudie mission report said:

"An energetic and concentrated effort should be made in the near future to arrive at an agreed Federal land-use Policy sufficiently clear to permit progress to be made in new planting to rubber wherever alternative land uses have not a sounder economic claim."

5 (c) The Commission report on Tea made the following finding about new plantings.

> "In our assessment the immediate problem before the Tea industry in India is not so much any large scale extension of the area under cultivation as of continued maintenance of results already achieved and improvement of existing assets.................When the time for replanting comes, some of the lands may have to be abandoned. To make up for the acreage thus lost new lands will have to be brought under tea."

These observations in the report of the Commission have a general application to any plantation industry one of whose fixed assets is a wasting one becoming uneconomic after a certain number of years, and also dead after a further period.

Need for expansion in the estate group will arise only when all low-yielding areas have been made high-yielding and unsuitable areas have been abandoned. New planting is no doubt necessary to compensate for loss in production as a result of uprooting of trees. Some new planting is justified to meet the demand after 10 years. But the facts above mentioned are convincing enough that the estates are unsuited for undertaking this emergency new planting. The recommendation in the Commission report for new planting of 25,000 acres is a conservative one. But the reliance of the Commission report on the estate sector to implement this target seems to be unrealistic.

6. A new situation has arisen in regard to new planting. In the absence of strict regulation, there has been a phenomenal increase in new planting, of 4,593 acres in 1954 and 5,133 acres in 1955. In 1956 the increase has been great. But replanting is insignificant. Possibly big units and particularly Non-Indian units are expanding lest they may be prohibited from doing so in the future. The Quilon Planters' Association says in a recent memorandum that 'in 1956 alone about 20,000 acres have been newly planted.' An immediate ban is necessary on new planting by the estate group pending investigation of this unregulated expansion. Otherwise planned production of raw rubber in co-ordination with synthetic rubber might be defeated. On other grounds too the immediate banning of new planting is necessary. Large funds since february 1955 have been provided for replanting. As the estates are in control of such funds, they may divert them for new planting. If they are to be conserved for the purposes for which they have been granted pending the formation of the proposed replanting fund, their wrong diversion should be banned. Also new planting with the aid of such funds should be prohibited. Further in view of the proposals in the Commission report tying new planting with fulfilment of replanting and urging the Rubber Board to rigorously enforce rules of replanting and new planting a further fullip to new planting when once they are published, may be expected to forestall such proposals. Government have admitted that synthetic rubber could be produced at 3 as. less per lb. than raw rubber. One only hopes that raw rubber expansion may not create a future crisis when estates may have to close in consequence of excessive production at high costs. The rubber Board should be advised by government to put a ban on new planting by estates pending its scrutiny and approval.

7. If there are so many difficulties in permitting new planting by estates, if new planting of 25,000 acres by estates is obligatory to reach the target of high-yielding areas within 7 years, and if both replanting and new planting are to proceed together according to the report, we should devise other methods for reaching this target of new planting. Two other factors in new planting have also to be taken into consideration. The one is that in the interest of installing modern machinery, according to the Development Committee Report;

"Large areas should be planted for modernisation of rubber plants and installations in smaller units would be uneconomic."

New planting by every estate unit will not reduce the number of units and will not solve the need for large plantations for feeding modern rubber plants. On the other hand new planting by big units will increase concentration, which under our proposals should not be permitted. The second is the need for centralised processing factories and the huge capital required to be invested for their installation.

Centralised factories will help the development for the latex industry. They can solve the complaints of manufacturers about the unsatisfactory quality of the latex marketed. Quality of latex depended on bulking.

"Prominent latex chemists advise the use of very large tanks. The bigger the tank, the better will be the quality of the latex bulked. Bulking minimises variation, gives a more uniform product and corrects many other defects."

(Marketing and utilisation of rubber latex in India—Pamphlet-4—April 1950—Rubber Board). In addition to latex marketing such factories can undertake the manufacture of different types of rubber as sole crepe, softened rubber and smoked sheets. The report of the mission of the International Bank on Ceylon said in this connection that:

'It is very probable that future natural rubber consumption will be mainly of high quality types and special forms (e. g. latex).'

Considering the costs involved, the Ceylon Rubber Commission recommended that such factories should be run by government. They said:—

"From the point of view of maximum profit to the rubber proprietor, we consider that it would be best for these factories to be built and administered by the government, as it is obvious that any central factory run by private enterprise will retain the major portion of any profits for its proprietors. We feel that there should be no difficulty at all in obtaining a manager capable of running a factory of this nature with complete success and at considerable profit. The administration of this unit should be under the Commissioner of Rubber. There should be a local advisory board. A government factory run on these lines will prove a great benefit to all those engaged in the industry. The initial cost should be paid by government and repaid by the factory over 25-30 years.

If it is conceeded that a centralised factory should be run by government, it is preferable that the large new planting area necessary to feed it becomes also part of this factory.

8. The new Industrial policy statement has also laid down certain conditions when finance is required by essential industries and that on a large scale. Such industries according to this policy statement should be in the public sector. And if government lends to the private sector it will preferably be in the form of equity capital. This statement said: --

"Other industries (other than those of basic and strategic importance which should be in the public sector) which are essential and require investment in a scale which only the state in present circumstances could provide have also to be in the public sector...................... Financial assistance in suitable cases specially when the amount involved is substantial will preferably be in the form of participation in equity capital though it may also be in part in the form of debenture capital."

In conformity with this policy statement, new planting which will need substantial sums, will have to be undertaken either by a governmental body, or government should take shares in existing companies which are permitted to undertake new planting on a large scale.

The industries referred to in the quotation above are those in the second category, which will be progressively state-owned and in "which the state will, therefore, generally take the initiative in establishing new undertakings, but in which private enterprise will also be expected to supplement the effort of the state." Synthetic rubber has been already brought under this category in the new industrial policy statement. Considering all the facts mentioned in the preceding paras, centralised factories attached to large new planting areas should also be state-owned.

Synthetic rubber cannot be in the second category and raw rubber in the third category of the private sector. The latter will need regulation to function in integration with synthetic rubber. Raw rubber should therefore come under the second category of industries. When the private sector has to restore its fixed assets to a normal condition and has no resources to undertake new planting along with replanting, when a rubber plantation needed modern costly machinery which a large scale plantation can alone afford, when substantial funds are required from government on a large scale by an essential and strategic industry, no choice is left for us to prefer between the private or the government sector. All the new planting of 25,000 acres allotted to estates will have mainly to be undertaken by a Development Corporation in which government holds 51% of the shares and the public, the remainder. Private enterprise will have enough to do in replanting high yielding trees in the existing area for which full assistance will have to be given by the government.

9. *Acquisition of new planting areas.*

Additional lands will be necessary for new planting. Good lands exist more in central and South Travancore. The observance of the principles laid down in the commission report for permitting expansion will result in the freezing of good new planting areas in the hands of non-Indian estates and big estates in Indian hands. The Development Committee report said that

"some rubber estates have jungle land reserved for future planting."

While some of these good lands may lie unused as a result of the proposals, other areas in Malabar may not be as suitable for expansion. Conservation of existing resources required that areas suitable for new planting with these concerns will have to be acquired on the basis of a price for dry lands growing no rubber.

II—Selective Financial Assistance For Weak Estates

10. The calculations made about the availability of replanting fund to make repayments of loans borrowed for replanting (Statement C) are based on the assumption that every estate will have a yield of 350 lbs. per acre. But there are estates whose average yield goes down even to 200 lbs. and whose replanting fund will be small. Such estates will need long-term loans over long periods. Also certain estates may have more areas to replant then the normal 70% of low-yielding trees. They may not be able to provide adequate security. As under our proposals the programme of replanting is compulsory, and the provision of a replanting fund is also compulsory, government should render every financial help to supplement this fund and thus facilitate the smooth implementation of the programme. The Commission is not sure about the State Finance Corporation meeting long-term credit needs as otherwise they would not have concluded as follows:—

"If the finance committee in the Rubber Board finds as a result of experience of the working of the finance corporations and other financial institutions they are not in a position to meet the long-term needs of the industry, it may make necessary recommendations for the establishment of a new financial institution under the auspices of the Rubber Board."

Another recommendation of the Commission partially transfers to the proposed finance committee of the Rubber Board the responsibility of answering the terms of reference in respect of financial arrangements for the industry in the following words:—

"It may also advise the government regarding provision of loan finance on easy terms to the rubber-growers through one of the existing institutions."

Beyond setting an advisory duty to the Board on this question, the Commission report makes no recommendation to this effect.

Amalgamation of smaller estates.

11. One method suggested in solving the problem of weak units is amalgamation of smaller estates to form larger units. According to the Development Committee report 1950.

"Overhead charges of smaller units would be high. A larger size would reduce the managerial costs. It may be uneconomical to instal modern labour saving machinery for processing of raw rubber on estates of less than 1,000 acres. For these reasons amalgamation of smaller estates to form larger units of about 2,000 acres or more is desirable. It is realised that re-organisation is difficult and impractical in many cases. Nevertheless such a re-organisation is essential if Indian rubber is to compete with better-organised rubber-growing countries. Therefore, the question of amalgamation of estates should receive the serious consideration of proprietors and managing agency firms."

If we are really serious about creating sound units for undertaking replanting, the least that we should do is, where persuasion fails, to compulsorily amalgamate' in public interest' as provided in the Company Act smaller units which cannot afford to maintain a managerial staff, and thus create sounder units for increasing their credit worthiness for borrowings for replanting.

Replanting Finance Corporation.

12. Secondly a special Replanting Finance Corporation modelled on the Reconstruction Finance Corporation of the U. S. A. which had liberal rules of lending and provision for supervision and control over distribution of profits, and at the same time provided for writing off of losses in lending, may better suit the Indian rubber estates which unlike in tea have not only to replant aged trees but also low-yielding trees, to face synthetic rubber

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Note: The following are the rules for loans to business enterprises and participations in such loans by the Reconstruction Finance Corporation.

"While the questions of security and collteral are important in determining whether a loan will be made, they do not alone constitute the factors upon which the approval or rejection of an application is determined......................A programme of payments will be arranged with a view to the orderly liquidation of the debt by the borrower and in so far as can be estimated on a basis that will enable the borrower to make plans for the development of future business without being unnecessarily restricted by a repayment schedule that would impair the borrowers' working capital during the life of the loan............... As long as any portion of a loan remains outstanding, no dividends may be paid by any corporate borrowers nor may any distribution or withdrawals (except reasonable compensation for services) be made by a partnership or individual borrower without the consent of Replanting Fund Corporation nor may compensation for services of officers, directors or employees be paid at a rate in excess of that which appears reasonable to RFC.

competition, and also to meet the urgent national demand of this strategic material.

Such a finance corporation can function for the benefit of all the plantation industries. It can finance both normal and weak estates. Greater details about the neet for it have been already mentioned in my dissenting minute to the Tea and Coffee reports.

A Development Corporation.

13. Thirdly Government may take into a Development Corporation weak estates so that they may be able to finance replanting and strengthen them. Writing about estates which needed investment well in excess of the yield from the replanting cess and which did not have its own or borrowed funds to make up for long neglected replanting, the report of the Mission of International Bank for Economic Development Malaya said :—

> "This group seems to need some form of selective assistance, concentrated on those estates prepared to undertake replanting at the high rate necessary for their rehabilitation. In a great many of these cases rehabilitation could probably be accomplished only through liquidation and absorption by interests prepared and able to invest in a major replanting progarmme within a short period and to wait during the maturing period to enjoy the financial results."

This is a radical remedy to liquidate and absorb. This would mean acquisition. When an estate is acquired, it does not suffer any future loss which it will have to bear if it continued and had to carry out the compulsory replanting programme. It should be made to shoulder the responsibilities for past neglect of replanting. As wisely suggested in respect of amalgamations by K. E. Knorr in his book "World Rubber and its Regulation."

> "The Government might consult with planters associations to explore opportunities for merging small rubber companies, and in the process, retire other plantations of low productivity. Again due care should be taken that the high-cost units eliminated do not leave a fatal legacy in the form of increased over head costs for the surviving estate companies. Payment to the owners of abandoned plantation should therefore *not be made in cash or debenture stock but in ordinary shares.* This is the only economic way of eliminating inefficient producing units through amalgamations."

Though the reference here is to merging of plantations of low productivity and high costs with better plantations, the principle involved is the same that weaker estates should be admitted only as ordinary share-holders and not purchased.

State Investment in shares of companies

14. Another alternative would be for government to invest in the shares of companies which had neither its own resources nor credit worthiness to borrow and undertake the responsibilities of management along with the estates owners as has been mentioned in an earlier para under new planting.

The new Industrial Policy.

15. The Commission report provides for issue of directives for the proper maintenance of fixed assets but this carried with it the responsibility for the government that every financial assistance is given for carrying out the phased programme of replanting. The exercise of powers under the Development and Regulation of Industries Act for non-compliance with directives or powers similar to those under the British Agricultural Act can only come last when all assistance has been rendered to the private sector to

carry out the directives. Financial assistance may take three forms, a special Rehabilitation. Finance Corporation, a Development Corporation in which weak estates can hold shares, or contribution of equity capital by the state to existing concerns.

Whatever the method adopted, the problem of financing poor estates for replanting and new planting cannot disappear by not facing it and will need a solution by other methods than finance through existing state finance corporations. One cannot jump from issue of directives for replanting straight to resumption of estates under the Regulation and Development of Industries Act or acquisition of estates for the management by a Land Commission under the British Agricultural Act without providing for the intermediary stage of full finance for implementing the phased compulsory programme of replanting.

III. Abandonment of unsuitable areas

16. The Development Committee report said:—

"It may be argued even after replacing the present obsolete stands of rubber with high-yielding strains of it and by applying modern scientific methods of cultivation we may be on the debit side to the extent of about 25% in yield owing to unfavourable climatic factor as compared to Malaya and Indonesia."

At another place it said:—

"To reduce the Indian costs of production of rubber to a standard which would bear reasonable comparison with that of the East, economies have to be effected even in the smallest items of expenditure."

These extracts are given to show the urgency in India for abandoning unsuitable areas which increase costs and thereby reduce the competitive position of rubber. When even under the best of circumstances raw rubber cannot compete in price with that of other countries, it is all the more important to grow rubber in best available areas and certainly not in unsuitable areas. The Commission report has stated the problem in the following words:—

"If yields are to be increased and costs reduced, rubber trees should not be planted in unsuitable areas. Rubber trees exist in regions of higher elevations, in lands where hard laterites, hard pans, and rocks occur within a few feet below the surface of the soil or in exhausted soils subject to soil wash in sloping lands. The Development Committee estimated the area of unsuitable lands as not less than about 10%."

There are two sets of unsuitable areas, one described above, and another in small holdings where 'the soil has become practically exhausted by growing several crops of hill-paddy or tapioca or where short-term crops like tapioca have been cultivated as a catch-crop with rubber for several years.' The proposals the commission has made for a solution of this problem are

"(1) Future replanting and new planting should not be done in unsuitable areas. (2) In permitting new planting care should be taken to examine unsuitable areas under rubber if any in the estate concerned and in full consultation with the estate-owner a phased programme of abandonment of such areas should also be prepared."

These proposals do not take account of elimination of existing unsuitable areas except to a very limited degree when an estate is permitted to new-plant and it may be asked to abandon its unsuitable areas on a phased programme.

The Commission report might have recommended at least the same principles which it laid down in the coffee report.

"In deciding on any expansion, the urgency of new plantings for those whose existing estates are in unsuitable areas should be realised. ....Growers should be assisted to change over to suitable areas."

A programme of abandonment envisaged here should apply all the more to a strategic industry faced with the competition of the synthetic if costs are to be brought down and yields are to be increased. The Ceylon Rubber Commission has given priority to this question in its report and made a number of recommendations for growing substitute crops or reforesting the unsuitable areas and providing substitute acreage for new planting.

Commenting on this problem of retirement of unsuitable areas the mission report on Ceylon of the International Bank said:

"The uneconomic acreage was estimated by the Ceylon Rubber Commission to be about 1,75,000 acres. A quantity of about 1,00,000 tons of rubber for probable disposal in the future world market can be produced on about 5,00,000 acres, leaving an excess of 1,50,000 acres in the present acreage."

If proper survey of non-economic acreage was made as related to yields, costs, wages, and selling price, it would be more than 10%. Even the area of 10% estimated by the Development Committee was not small. It amounted to 20,000 acres. And as the Commission has proposed a new planting of 50,000 acres, this would make up for the loss of the small crop from the abandoned areas. A survey as in Ceylon of the area to be abandoned is necessary. The abandonment should be on a phased programme. In the case of big units such an abandonment can be enforced as they have a large area for maintaining them. They needed no substitute acreage by way of new planting. In the case of medium units holding between 16 and 50 acres new planting may be permitted to the extent of the abandoned area. By medium units are meant those holders with moderate means having 3 times the income of a subsistence holding giving a net income of Rs. 1,200. In the case of uneconomic units of 15 acres and below, abandonment will have to be helped with subsidies and substitute area for new planting. The new planting area provided as substitute should be equal in value and not in area to the abandoned area on the basis of net income.

IV. Concentration and the plan

17. The New Industrial policy (April 1956) has the following definite objective:—

"Equally it is urgent to reduce disparities in income and wealth which exist today, to prevent private monopolies and the concentration of economic power in different fields in the hands of small numbers of individuals. Accordingly the state will progressively assume a predominant and direct responsibility for setting up new industrial undertakings and for developing transport facilities."

Concentration of production in the hands of a few individuals has been already referred to. According to the Commission report.

"In sanctioning future expansion, care has to be taken to see that concentration of rubber area is not unduly increased in the hands of a few concerns."

But reduction in existing concentration is a complicated problem. Where big units want special financial assistance from government to clear their arrears of replanting, it may be granted subject to their joining a

Development Corporation with the state as the major participant in it. Such a policy will help to reduce concentration. This is one method necessitated by the new industrial policy which says that:

> "financial assistance to the private sector specially when the amount involved is substantial will preferably be in the form of *participation in equity capital* though it may also be in part in the form of debenture capital."

Another method would be that unsuitable areas of rubber in big units should be abandoned by them as they resulted in low-yielding rubber at high cost. Price fixation too is vitiated when the costs of such areas are taken into consideration in determining the price of rubber. The provision of substitute acreage by new planting need not be allowed in the case of big units. A third method would be to acquire the minimum extent necessary from such big estates and supplement the economic holdings of small holders whose holdings cannot be otherwise made economic than by such acquisition.

V. Source of Funds Granting Subsidies.

18. The Minister for Commerce and Industries said during the debate in the Lok Sabha on the Rubber Amendment Bill in 1954:—

> "There are estates which produce as much as 1,200 lbs. of rubber per acre as against estates which produce only 200 lbs. per acre and we in trying to fix the price have taken the minimum at about 400 lbs. per acre. That shows that those estates which are really efficient and produce 1,200 lbs. are making colosal profits when we fix the price on the basis of 400 lbs. per acre."

During the debate Shri K. P. Tripathi our Chief Labour assessor pointed to a method to subsidise uneconomic estates:—

> "All the units which are economical in character are earning a very high profit and this will continue till all the units became economical in character which is not going to be in our generation. The policy must be determined as how best to absorb the higher profits of the more economical units so that the less economic units might be developed."

One need not go so far as this proposal, as there is a justification in rubber industry to get back from etates with high yields the windfall in income which occurred as a result of the grant of a uniform price to all producers. Further in fixing the price the higher costs of small holders were considered and to this extent the price was raised to big holders. This resulted in estates that incurred less costs getting a higher price over what was a fair price.

Distribution of high profits was a result of high gross profits in some concerns with high yields due to the assured payment of a price notified by government. As a notified price does not lend itself to be administratively varied from producer to producer, and as at the same time protection to rubber industry has taken the form of a guarantee of a fixed uniform price, its very enforcement created the problem particularly in industries with large variations of income, of certain concerns making an excess profit over what a notified price is expected to give a producer. This is one of the examples to illustrate how development programmes unless implemented with care and caution increase economic disparities in income.

Secondly as a result of the guarantee of a high price, the objective of price control too, to develop an economically efficient industry, is defeated. Thirdly a greater amount of national income will

be going into the hands of producers having a higher yield than the basis yield on which the price is calculated and assured. It would be but fair, when the price notification created this inequality of returns to producers, to correct it by any other possible measures. It should be possible, as in the case of excess profit tax, to fix certain slabs of yields as 600, 800, 1,000 and 1,200 lbs. and levy a graded price-equalisation cess after taking full account of increased expenses incurred to get a higher yield. The cess might be so fixed so that on no account should it take more from a producer than the excess profit accruing from the existing price. The total amount of the cess might be used as subsidy for development of small holdings.

19. One other source of income to the Rubber Board arises out of the collection of difference in price between the Indian price and the import price of rubber from the manufacturers. This has been objected to on the ground that it is equal to sale of import licence and that a consumer licence is expected to get for the consumer the article at the import price and not a higher price. One suggestion has been made in this connection that the quota for imports might be granted to the two manufacturers' associations in India who would undertake the responsibility of distributing it among their members and paying the difference in price. The distribution of quotas to individual manufacturers is the responsibility of the Rubber Board which it cannot share with non-official bodies who do not form its executive branches. So long, therefore, the present notification of collecting the price difference operates, it is necessary that the Board alone should undertake this function.

Originally the idea seems to be to assist the Indian manufacturer by importing rubber. This is clear from Sec. 8A. of the Rubber Act which says:

> "It shall be lawful for the Board with the previous approval of the central government to import rubber for sale or to purchase rubber, in the internal market at such prices as the Central Government may fix."

Finding this responsibility too much, it was considered whether the Rubber Board could arrange imports of raw rubber for the eventual distribution to manufacturers when the world price was lower than the Indian controlled price. Considering the difficulties in handling imports of any kind, the present procedure was devised so that the manufacturer would import but pay the difference in price. If the original idea of handling of 11 imports of rubber by the Rubber Board was implemented. The Board might sell it to the manufacturer at a price not lower than that of the internal controlled price. The profit it any would be a source of income for assisting the development of the industry. As the Board is just feeling its way, and may not be able to undertake this responsibility, there is no harm if it used the State Trading Corporation as an agency for import and distribution of rubber to manufacturers. This is nothing more than the creation of a monopoly Buying Commission for the purchase of rubber to be distributed to manufacturers.

The State Trading Corporation may make a profit when it sells rubber at a price not lower than the internal controlled price and this may be handed over to the Board for subsidising replanting and new planting. But this will be incidental to its primary function of helping the Board in the sale of imported rubber to the manufacturers.

VI. Land Sales

20. The Commission report has proposed that it is obligatory on the estates to replant according to a phased programme, and when an estate is sold, the liability for continuing the programme rested on the new buyer. Sales in the interim period before this proposal is implemented in law will escape

this liability. Sales may be hastened too in order to forestall such legislation. It is, therefore, necessary, if the proposal is not to become ineffective, that immediate legislation should be undertaken that no sales should be permitted without fixing the liability on the seller to transfer the necessary funds for the phased programme of replanting.

I have already proposed in my dissenting minute on tea that every sale of estates over 100 acres should be permitted by the Tea Board. This should apply equally for rubber. The objects in giving a permit are that the sale price may be fixed taking full account of the age of trees, the new management is approved from the point of view of interest in the industry and resources, the minimum economic size is in no way diminished, and priorities according to the superiority of different types of management are fixed by government.

In giving such permits the following order of priority pointed out in the Tea Report may be followed:—

(i) Producers might join a state-partnered production co-operative. The principle enunciated by the Rural Credit Survey Committee for the acquisition of processing factories might be followed. The producers should raise 30% of the capital and government should contribute the remainder. When such societies can be formed, estates for sale should be first offered to them.

(ii) Public limited companies director-controlled are founded on people's capitalism. If share-holding by a single person is limited to 5% as provided in the Banking Companies Act for Banks, they come near to the co-operatives in their structure. The second preference in transfer of estates should be to those companies, in which no one will hold more than 5% of paid-up share capital.

(iii) Where one and two are not feasible, the Plantation Corporation proposed for merging weak companies as share holders or for new planting might purchase the estates sold.

(iv) Where 1, 2 and 3 are not feasible, any person or institution may by the estates subject to the approval of sale price by the Board.

VII. Labour

21. Rubber industry mainly exists in the state of Travancore-Cochin. Hence the minimum wage notification in this state has a greater bearing on it than that in other states. There is a novel section in it which does not exist anywhere else in India, compelling employers to pay wages to their permanent labour round the year. They are asked to give 'some work connected with the estate' and unless labour refused to do it, should be paid minimum wage even when the employer has no work to give. There are ample provisions in labour laws as lay-off and retrenchment compensation which the employer has to pay in slack seasons of unemployment. This novel section has resulted in labour employed for a season demanding from small holders who have not got 'some work' to give wages, for the whole year. The problem of supplementary employment in agriculture should be solved by State Governments and not be left to poor small holders to provide it. It is no use also to solve it by insisting on 'some work'. The work should be useful and remunerative.

VIII. Machinery For Control of Plantation Industries

22. The proposal of the Commission recommending the establishment of an independent commission for plantation industries is one to be welcomed. The commission will be doing part of the work of the Tea, Coffee and Rubber Boards. It is necessary to consider how the Boards should be reconstituted

in so far as part of their work will fall on the commission. The Board has two functions to discharge the one executive and the other deliberative. The Chairman and his staff in the Boards will in future work under the proposed Commission. They may as well be treated as an executive wing of the Commission. The Chairman of the Boards may be whole time servants of the Commission and designated as Controllers of Tea, Coffee, and Rubber industries.

Executive work is bound to suffer when the executive officers have to share it with a semi-elected body of representatives of various interests. I have already dealt in detail with the need for separating the executive work from the advisory functions discharged by non-official representatives in my dissenting minute on coffee. The representatives of various interests may be wholly elected and they should have the right to advise the 3 controllers of coffee, rubber, and tea industries and the over-all commission. These changes may be necessary so that the Commission's work may not partly overlap that of the Chairmen of the Boards. A wholetime commission at the top, and boards of mixed type at the bottom will ill-assort and not go together.

IX. Other Proposals

23. (i) The replanting fund should be invested in the proposed Plantation Finance Corporation which will release it for replanting with the approval of the Rubber Board. Where more funds are required, this corporation will advance them.

(ii) The following proposals made in my dissenting minute regarding tea should apply also to rubber regarding estates over 100 acres.

The Government of India should guarantee long-term loans. The law should provide that titles to lands were unambiguously vested in the proposed plantation finance corporation.

Current finance should be distributed as far as possible in kind by integrating it with the proposed supply co-operatives.

The government should also give a directive to the state bank to immediately provide full crop finance to every producer.

A centralised buying agency is necessary for purchasing and distributing imported rubber machinery similar to the raw cotton commission in the U. K. working under the Cotton Centralised Buying Act 1947 which has a monopoly of imports and sells it at a price "to further public interests in all respects."

3. The managing agency system being costly to the industry should be abolished.

4. The following proposals made in my dissenting minute to the Report on Tea regarding labour, taxation and return for the producer in Tea should also apply to rubber.

Small holdings should be exempted from the Minimum Wages Act.

State governments should not issue minimum wage notifications unless the majority of the employees and labour could not come to a decision and requested the government to issue it.

The annual guaranteed wage meant that the employer could not terminate an employee, even when he was unable to continue his industry. It raised larger issues and should not apply only to one industry.

(a) Medical relief should be part of the Employees' State Insurance Scheme.

(b) Maternity benefit and compensation under the Workmen's Compensation Act should be brought under the Employees' State Insurance Scheme.

(c) Government should contribute to the expense of group hospitals.

(d) Expenditure on housing should be such that rent for its use could be afforded by the workers and staff. Rent should be collected from the latter and the wages may be increased to this extent.

(e) Economies could be sought by way of reducing public expenditure on school buildings. A cess should be collected for education from labour. The same may be added to wages. Parents whose children supplement their earnings should get an additional wage to compensate for the loss resulting from withdrawing their childern of ages 12 to 14 from employment.

(f) Labour should pay a rate for civic services as water supply, sanitation, lighting etc. The same may be added to wages.

(g) The proposed welfare organisation should own all constructions and be responsible for welfare working in co-ordination with the State Employees' Insurance Corporation and State Governments.

(h) Provident funds should form part of life insurance schemes.

(i) The free feeding of children during the day should be taken due note of when fixing wages.

(j) An all-inclusive wage should be the principle of the wage-structure in order to reduce the dependence of labour on employers for various civic amenities.

(k) To drive home the civic responsibility to every citizen, the privilege of labour to pay for housing and civic services should be recognised and given effect to.

(l) Where employers provide amenities, they should be given a rebate by the proposed welfare organisation.

5. Local rates and cesses vary from state to state and should not be levied on estates which paid the welfare rate to the proposed welfare organisation.

Replanting costs should be treated as revenue expenditure.

The eventual object of taxation policy should be to eliminate the distinction between agricultural and non-agricultural income for purposes of taxation.

Revaluation should be for very exceptional reasons. It should in no way affect the powers of income-tax officers to allow depreciation or levy income tax. The excess value should not be adjusted to share capital. Revaluation should be done by the Central Board of revenue or Company Law Administration or Controller of Capital Issues.

6. (a) Returns for the producer should be based on the following principles. What are fixed assets should be broadly defined so that hospitals, schools, and houses built for labour and staff, and which, in industries as mines, are the property of a government welfare organisation, and in certain states are maintained by state governments, may be excluded from fixed assets. Otherwise share capital is increased upto their value and, in the absence of a limit over distribution of total profits, is paid a high dividend thereby entrenching on the proportion of profits to be set apart for reserves.

Secondly their current value and annual value should be fixed. Profits after setting apart 25% to reserves and paying taxes should be distributed in the proportion of this annual value, the annual wages of labour, and the annual salaries of staff.

(b) In calculating the annual value of fixed assets, such assets purchased from future reserves should be excluded.

(c) After paying taxes and setting apart for reserves, and before distributing the remainder, a minimum dividend not exceeding the interest rate on government loans may be paid in years of profit.

(d) There can be no return on reserves as reserves belonged to the industry so long as it existed.

(e) Interest on reserves should be calculated as an expense and added to reserves.

Profits after remunerating all interests in an industry belonged to the government. So long as government did not claim it, it might be divided between staff, labour and the share-holders excluding managing agencies who have been already paid a commission out of profits. The profits due to labour and staff in the proportion of their annual contribution (wages and salaries) should be pooled and distributed to labour and staff according to their total earnings which should be related to the output of work. Such pooling should be for each region of approximately similar yields and costs.

A ceiling may be fixed for profit distribution in respect of superior of employees. The cash amount distributed to subordinate employees and labour should not exceed their annual salaries. Labour and employees may be paid 25% in cash as proposed by the profit-sharing committee. The balance of 75% shall be funded and invested in a trust to be formed. It may be distributed for specified purposes of a non-recurring character as education, marriage, disablement, purchase of a home or land, etc. The amount should be invested in appropriate government loans and securities.

K. G. SIVASWAMY,

Member,

Plantation Inquiry Commission.

Statement indicating credit-worthiness of Indian concerns to raise funds for replanting.
(From the point of available land security.)

		Acres.
1.	Approximate rubber area in Indian concerns.	60,000
2.	Of which area of low yielding trees at 7/10.	42,000
3.	Of which area of high yielding trees at 3/10.	18,000
4.	Target for compulsory replanting by estates of 50 acres and over.	35,000
5.	Of which area to be proportionately replanted by the Indian section being 60% of estate under rubber.	21,000
6.	Area that will be available as land security after uprooting low-yielding trees to this extent of proposed replanting area of 21,000 acres out of the total low-yielding area (Col. 2).	21,000
7.	Area available as land security on the assumption that two acres of low yielding trees is equal in value to one acre of high yielding trees (½ of 6).	10,500
8.	Total area available as land security (3 plus 7)	28,500
9.	Cost of replanting 21,000 acres at Rs. 1,400 per acre (in crores of Rs.)	2.94
10.	Value of land security available for borrowing at Rs. 750 per acre on 28,500 acres (in crores of Rs.)	2.14
	Deficit	80 lakhs
	Area of land that on the average cannot be replanted for want of land security (in acres.)	5,714
	Proportion to the target of 21,000 acres to be replanted.	27%

B.

From the point of view of availability of long-term funds (share capital and reserves excluding balance of profits minus net fixed assets) in Indian concerns. (Reserve Bank figures).

Table XXII A of Capital structure of Commission Report.

	1950	1951	1952	1953
Rupees per acre for 24 Indian companies.	14	11	18	91

Annexure VIII (Commission Report)

No. of companies which had a minus under long-term funds ranging from Rs. 16 to Rs. 310 per acre.	7
No. of companies which had a plus under long-term funds amounting to Rs. 2 to Rs. 34 per acre.	3
No. of companies which had a plus under long-term funds amounting over Rs. 34 but below Rs. 93 per acre.	4
No. of companies which had a plus under long-term funds between Rs. 93 and Rs. 207 per acre.	5
No. of companies which had a plus under long-term funds between Rs. 233 and Rs. 291.	3

No. of companies which had a plus under long-term funds amounting to Rs. 786.	1
No. of companies which had a plus under long-term funds amounting Rs. 1,052	1

C.

A rough estimate of funds for replanting on the basis of the element in the price guaranteed for the producer and area that can be replanted with these funds.

	Element in the price for replanting per 100 lbs. since Oct. 1952 (In rupees).	6.82
	Element in the cess collected by the rubber Board being the sum proposed as subsidy per 100 lbs. in Rs.	4.00
	Element in the price granted in Feb. 1955 (approximate) in Rs.	6.00
	Total.	17.00
	Funds provided in the price per acre yielding 350 lbs. in Rupees.	60.00
1.	Replanting fund available for 7 years on the total acreage of 60,000 acres at Rs. 60 per acre after deducting 3,000 acres for each year being the area uprooted every year for replanting 21,000 acres and which will not fetch the contribution to replanting fund (in lakhs of Rs.)	201
2.	Average long-term funds available per acre (Share capital plus reserves excluding balance of profits minus net fixed assets) (Rs. 91 per acre for 60,000 acres) (lakhs of Rs.)	55
3.	Cost of replanting 21,000 acres in 7 years at 1,400 Rs. per acre. (lakhs of Rs.)	294
4.	Interest on the same at 4½% when borrowed for 12 years at the rate of Rs. 42 lakhs each year for replanting 3,000 acres each year at Rs. 1,400 per acre. (in lakhs of Rs.)	119
5.	Total loan required in lakhs.	413
6.	Replanting fund that will be available for next 5 years after the first seven years on 60,000 acres on the assumption that replanted acreage of 21,000 acres have come into bearing at 350 lbs. in the 8th and 9th year and yielded 800 lbs. for 3 years from 10th year to 12th year and the remaining 39,000 acres yielded 350 lbs. on the average as during the first period of 7 years. (lakhs of Rs.)	228
7.	Total available replanting fund and long-term funds (1, 2, & 6) (lakhs of Rs.)	484
8.	Period in which the loan will be returned.	12 years.

ANNEXURES

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XVIII. Statement showing requirements of working capital as furnished by reporting companies.

XIX. Statement showing estimated requirements of future capital expenditure for five years, furnished by rubber companies.

XX. Statements showing ages of rubber plants, area new planted, replanted and area abandoned (Statements A to D), cost of new planting and replanting one acre of rubber and tending it for 8 years (Statements E to G); and the planting material used (Statements H & I).

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XXII. Statement showing the distribution of mature and immature area under rubber in some selected rubber companies.

XXIII. Statement showing area of new planting since 1938 and planting material used.

XXIV. Statement showing the indebtedness and the sources and the amount of loan borrowed by small holders of rubber.

ANNEXURE I

Statement showing rate of planting and total planted area between the years 1938 and 1955

(In acres)

Year of plantings	Area under ordinary un-selected seedlings	Area under clonal seedlings	Area under budgrafts	Total of cols. 2, 3 and 4	Total planted area
1	2	3	4	5	6
Earlier to 1938	98,755.98	333.73	7,349.02	1,06,438.73	1,06,438.73
1938	659.71	14.61	1,276.10	1,950.42	1,08,389.15
1939	1,213.74	526.74	2,322.76	4,063.24	1,12,452.39
1940	1,798.34	516.72	1,862.91	4,177.97	1,16,630.36
1941	826.85	86.67	1,312.79	2,226.31	1,18,856.67
1942	3,191.06	511.21	2,384.50	6,086.77	1,24,943.44
1943	10,735.55	1,748.78	2,767.26	15,251.59	1,40,195.03
1944	9,338.22	1,353.51	1,509.84	12,201.57	1,52,396.60
1945	8,217.93	2,704.30	816.58	11,738.81	1,64,135.41
1946	4,494.28	717.39	576.69	5,788.36	1,69,923.77
1947	4,931.76	486.04	899.07	6,316.87	1,76,240.64
1948	3,406.73	194.35	518.40	4,119.48	1,80,360.12
1949	1,382.31	239.99	305.77	2,428.07	1,82,788.19
1950	1,674.02	392.03	260.76	2,326.81	1,85,115.00
1951	512.44	494.91	688.39	1,695.74	1,86,810.74
1952	1,073.96	593.49	691.48	2,358.93	1,89,169.67
1953	1,348.66	1,149.81	779.71	3,278.18	1,92,447.85
1954	4,664.81	2,576.42	999.74	8,240.97	2,00,688.82
1955	5,133.57	1,007.92	409.67	6,551.16	2,07,239.98
Total	1,63,859.92	15,648.62	27,731.44	2,07,239.98	...

Source :—Rubber Board

ANNEXURE I-A

Statement showing the rate of planting of Rubber for each year since 1930

Year of Planting	Estates of & above 100 acres planted with				Small holdings(less than 100 acres)planted with				Total acreage planted with			Total
	Ordinary seedling rubber	Budded rubber	Clonal seedling rubber	Total	Ordinary seedling rubber	Budded rubber	Clonal seedling rubber	Total	Ordinary seedling rubber	Budded rubber	Clonal seedling rubber	
1	2	3	4	5	6	7	8	9	10	11	12	13
Planted earliar than 1930	56985	2818	311	60114	38282	82	1	38365	95267	2900	312	98479
Planted in 1930	50	534	17	601	245	...	...	246	296	534	17	847
1931	...	830	...	830	167	...	...	167	167	830	...	997
1932	...	134	...	134	84	...	...	84	84	134	...	218
1933	...	50	...	50	121	...	...	121	121	50	...	171
1934	24	922	...	946	244	10	...	254	268	932	...	1200
1935	11	84	...	95	3	...	...	3	14	84	...	98
1936	32	599	...	631	5	...	...	5	37	599	...	636
1937	20	1244	...	1264	23	22	...	45	43	1266	...	1309
1938	352	1264	...	1616	144	12	5	161	496	1276	5	1777
1939	272	2062	499	2833	896	261	28	1185	1168	2323	527	4018
1940	222	1634	472	2228	1106	226	35	1367	1328	1860	507	3695
1941	12	1248	81	1341	719	64	6	789	731	1312	87	2130

(Contd.)

ANNEXURE I—A (*Contd.*)

Statement showing the rate of planting of Rubber for each year since 1930

Year of Planting	Estates of & above 100 acres planted with				Small holdings (less than 100 acres) planted with				Total acreage planted with			Total
	Ordinary seedling rubber	Budded rubber	Clonal seedling rubber	Total	Ordinary seedling rubber	Budded rubber	Clonal seedling rubber	Total	Ordinary seedling rubber	Budded rubber	Clonal seedling rubber	
1	2	3	4	5	6	7	8	9	10	11	12	13
1942	814	2218	414	3446	2204	165	95	2464	3018	2383	509	5910
1943	2569	2059	1251	5879	7610	685	494	8789	10179	2744	1745	14568
1944	2699	1227	1011	4937	6222	283	279	6784	8921	1510	1290	11721
1945	2182	602	2547	5331	4540	192	117	4849	6722	794	2664	10180
1946	830	531	531	1892	2229	43	122	2396	3059	576	653	4288
1947	331	822	314	1467	1223	73	79	1375	1554	895	393	2842
1948	399	507	95	1001	281	6	47	334	680	513	142	1335
1949	445	299	160	904	141	...	68	209	586	299	228	1113
1950	765	246	348	1359	120	8	17	145	885	254	365	1504
1951	117	585	385	1087	95	50	98	243	212	635	483	1330
1952	216	616	378	1210	230	4	141	375	446	650	519	1615
1953	6	730	634	1370	373	18	404	795	379	748	1038	2165
1954	348	490	754	1592	174	90	545	809	522	580	1299	2401
Total :	69701	24385	10202	104288	67482	2296	2581	72359	137183	26681	12783	176647

Source :—Rubber Board.

ANNEXURE II

Statement showing yield per acre in different rubber growing districts in the year 1955

District	S. No.	Total production in lbs.	Tappable areas (Acres)	Average yield per acre (in lbs.)
1	2	3	4	5
Madras State				
Malabar	1	120,724	329.00	367
	2	73,476	229.00	320
	3	220,401	813.90	272
	4	147,734	550.02	269
	5	248,944	748.97	332
	6	765,889	1909.34	400
	7	619,000	1606.79	385
	8	296,294	1095.00	270
T. C. State				
Trichur Cochin	9	326,317	1447.97	225
	10	1,278,000	2724.88	469
	11	570,300	1911.80	298
	12	212,164	663.03	320
	13	70,092	173.00	405
T. C. State				
Kottayam Changanacherry	14	402,800	1315.91	306
	15	773,100	2437.71	313
	16	117,848	447.85	263
	17	296,780	725.02	408
Meenchill	18	239,917	501.81	470
T. C. State				
Kottamay Peermade	19	714,238	1609.63	444
	20	198,330	754.27	263
	21	235,960	610.46	387

(Contd.)

ANNEXURE II—*(Contd.)*

Statement showing yield per acre in different rubber growing districts in the year 1955

District		S. No.	Total production in lbs.	Tappable areas (Acres)	Average yield per acre (in lbs.)
1		2	3	4	5
	Thodupuzha	22	403,500	1177.04	343
Quilon	Kunnathur	23	535,500	1160.17	462
	Pathanapuram	24	375,800	1106.63	339
		25	811,900	1276.10	636
		26	782,922	1295.75	604
		27	142,271	322.94	440
		28	133,101	232.00	564
	Pathanamthitta	29	262,300	650.99	403
		30	811,900	1276.10	636
		31	650,623	1088.86	598
		32	108,600	227.35	479
	Shencotta	33	266,100	806.03	307
Trivandrum	Nedumangad	34	113,033	383.25	295
	Vil-avancode	35	475,600	738.02	644
		36	390,921	366.10	1067
		37	358,312	447.18	801
Coorg	Coorg	38	84,448	342.00	259
		39	178,019	493.27	360
		40	251,518	1237.33	204
		41	20,080	109.50	193

Source:—Rubber Board.

ANNEXURE III

Statement showing Paid-up capital and Reserves as on the 30th June, 1954.

A. Sterling Companies

(Figures in Cols. 4 to 7 in '000 Rs.)

Region	No. of Companies	Registered acreage	Paid-up Capital	Reserves	Profit and Loss Account Balance	Grand Total
1	2	3	4	5	6	7
Travancore-Cochin	3	22,933	94,49	76,46	10,39	1,81,34
Madras	1	3,032	12,00	2,00	49	14,49
Mysore	...	...	...	...	..	...
Coorg	...	...	...	...	...	...
Grand Total	4	25,965	1,06,49	78,46	10,83	1,95,83

B. Rupee Non-Indian Companies

Region	No. of Companies	Registered acreage	Paid-up Capital	Reserves	Profit and Loss Account Balance	Grand Total
1	2	3	4	5	6	7
Travancore-Cochin	3	5,724	40,77	12,81	5,99	59,57
Madras	3	7,012	31,00	20,97	8,19	60,16
Mysore	...	...	...	...	...	...
Coorg	...	...	...	...	...	...
Grand Total	6	12,736	71,77	33,78	14,18	1,19,73

C. Rupee Indian Companies.

Region	No. of Companies	Registered acreage	Paid-up Capital	Reserves	Profit and Loss Account Balance	Grand Total
1	2	3	4	5	6	7
Travancore-Cochin	41	26,329	2,04,33	59,11	35,70	2,99,14
Madras	14	5,562	31,51	13,52	3,70	48,73
Mysore	3	1,165	6,92	70	1,47	9,109
Coorg	1	1,597	9,52	78	16	10,46
Grand Total	59	34,653	2,52,28	74,11	41,03	3,67,42

Source:—Balance Sheets.

ANNEXURE III

D. Statement showing Capital invested (Sterling and Rupee Non-Indian and Indian) in reporting rubber companies

(Figures in '000 Rs.)

Type of Companies	Indian			Non-Indian			Total of all companies		
	Paid-up Capital	Reserves	Total	Paid-up Capital	Reserves	Total	Paid-up Capital	Reserves	Total
1	2	3	4	5	6	7	8	9	10
Sterling	64	54	1,18	1,05,85	88,80	1,94,65	1,06,49	89,34	1,95,83
Rupee Non-Indian	55,95	37,39	93,34	15,82	10,57	26,39	71,77	47,96	1,19,73
Rupee Indian	2,47,71	1,13,05	3,60,76	4,57	2,09	6,66	2,52,28	1,15,14	3,67,42
Total	3,04,30	1,50,98	4,55,28	1,26,24	1,01,46	2,27,70	4,30,54	2,52,44	6,82,98

Source:—Balance Sheets.

ANNEXURE IV

A. *Composite balance sheet (for 17 companies under all groups.)*

(In Rs. '000)

Items	Year 1939	1946	1953
1	2	3	4
Liabilities:			
Paid-up Capital	1,45,06 (75.08)	1,59,68 (60.42)	1,66,81 (41.16)
Reserves:			
General	3,37 (1.74)	18,85 (7.13)	50,77 (12.53)
Taxation	1,95 (1.01)	5,44 (2.06)	36,48 (9.00)
Other Specific	9,96 (5.16)	19,06 (7.21)	58,25 (14.38)
P. & L. A/c Balance	22,96 (11.88)	20,74 (7.85)	27,27 (6.84)
Total	38,24 (19.79)	64,09 (24.25)	1,73,23 (42.75)
Borrowings:			
Banks	8 (0.04)	25 (0.09)	1,01 (0.25)
Other Finance	1,57 (0.81)	2,43 (0.92)	3,14 (0.77)
Other Liabilities	8,26 (4.28)	37,82 (14.32)	61,05 (15.07)
Total	9,91 (5.13)	40,50 (15.33)	65,20 (16.09)
Grand Total:	1,93,21 (100.00)	2,64,27 (100.00)	4,05,24 (100.00)
Fixed Assets:			
Gross	1,42,27 (73.63)	1,67,58 (63.41)	2,34,85 (57.95)
Depreciation	1,85 (0.96)	6,08 (2.30)	14,85 (3.66)
Net Assets	1,40,42 (72.67)	1,61,50 (61.11)	2,20,00 (54.29)
Floating Assets:			
Stocks & Stores	19,38 (10.03)	37,51 (14.19)	68,12 (16.81)
Receivables	3,13 (1.63)	6,30 (2.38)	9,53 (2.35)
Investments	5,91 (3.06)	19,75 (7.48)	6,76 (1.67)
Cash & Other Assets	24,37 (12.61)	39,21 (14.84)	1,00,83 (24.88)
Total	52,79 (27.33)	1,02,77 (38.89)	1,85,24 (45.71)
Grand Total:	1,93,21 (100.00)	2,64,27 (100.00)	4,05,24 (100.00)

ANNEXURE IV—(*Contd.*)

B. (*For 4 Sterling Companies*)

(In Rs. '000)

Items	Year 1939	Year 1946	Year 1953
1	2	3	4
Liabilities:			
Paid-up Capital	1,05,66 (76.76)	1,06,49 (63.58)	1,06,49 (37.63)
Reserves:			
General	46 (00.33)	11,63 (6.94)	27,30 (9.65)
Taxation	1,94 (1.42)	3,79 (2.26)	34,78 (12.29)
Other Specific	7,81 (5.67)	8,31 (4.96)	51,15 (18.08)
P. & L. A/c Balance	17,10 (12.42)	7,32 (4.37)	10,88 (3.84)
Total	27,31 (19.84)	31,05 (18.53)	1,24,11 (43.86)
Borrowings:			
Banks	... (...)	... (...)	99 (0.35)
Other Finance	... (...)	... (...)	... (...)
Other Liabilities	4,67 (3.40)	29,96 (17.89)	51,38 (18.16)
Total	4,67 (3.40)	29,96 (17.89)	52,37 (18.51)
Grand Total:	1,37,64 (100.00)	1,67,50 (100.00)	2,82,97 (100.00)
Fixed Assets:			
Gross	97,58 (70.89)	99,31 (59.29)	1,43,65 (50.76)
Depreciation	4 (00.02)	1,83 (1.09)	4,17 (1.47)
Net Assets	97,54 (70.87)	97,48 (58.20)	1,39,48 (49.29)
Floating Assets:			
Stocks & Stores	13,42 (9.75)	24,34 (14.53)	49,11 (17.36)
Receivables	1,34 (00.97)	3,81 (2.27)	4,84 (1.71)
Investments	3,74 (2.72)	13,38 (7.99)	4,83 (1.70)
Cash & Other Assets	21,60 (15.69)	28,49 (17.01)	84,71 (29.94)
Total	40,10 (29.13)	70,02 (41.80)	1,43,49 (50.71)
Grand Total:	1,37,64 (100.00)	1,67,50 (100.00)	2,82,97 (100.00)

ANNEXURE IV—(*Contd.*)

C. (*For 1 Rupee company under Non-Indian Managing Agents Control.*)

(In '000 Rs.)

Items	Year 1939	1946	1953
1	2	3	4
Liabilities:			
Paid-up Capital	2,80 (39.56)	2,80 (52.83)	3,50 (59.02)
Reserves:			
General	... (...)	... (...)	44 (7.42)
Taxation	1 (0.15)	41 (7.74)	55 (9.28)
Other Specific	1,11 (15.68)	100 (18.87)	4 (0.67)
P. & L. A/c Balance	31 (4.37)	69 (13.01)	99 (16.69)
Total	1,43 (20.20)	2,10 (39.62)	2,02 (34.06)
Borrowings:			
Banks	... (...)	... (...)	... (...)
Other Finance	53 (7.48)	2 (0.38)	9 (1.52)
Other Liabilities	2,32 (32.76)	38 (7.17)	32 (5.40)
Total	2,85 (40.24)	40 (7.55)	41 (6.92)
Grand Total:	7,08 (100.00)	5,30 (100.00)	5,93 (100.00)
Fixed Assets:			
Gross	5,64 (79.66)	4,73 (89.26)	5,28 (89.02)
Depreciation	55 (7.77)	1,01 (19.62)	1,80 (30.34)
Net Assets	5,09 (71.89)	3,69 (69.64)	3,48 (58.68)
Floating Assets:			
Stocks & Stores	47 (6.64)	89 (16.79)	1,26 (21.24)
Receivables	1,22 (17.23)	13 (2.45)	20 (3.37)
Investments	27 (3.82)	28 (5.28)	21 (3.56)
Cash & Other Assets	3 (00.42)	31 (5.84)	78 (13.15)
Total	1,99 (28.11)	1,61 (30.36)	2,45 (41.32)
Grand Total:	7,08 (100.00)	5,30 (100.00)	5,93 (100.00)

ANNEXURE IV—(*Contd.*)

D. (*For 2 party Non-Indian Rupee Companies under Non-Indian Managing Agents Control.*)

(In '000 Rs.)

Items	Year 1939	1946	1953
1	2	3	4
Liabilities:			
Paid-up-Capital	11,14 (62.83)	14,95 (37.98)	22,12 (41.78)
Reserves:			
General	2,00 (11.28)	6,50 (16.51)	21,50 (40.60)
Taxation	... (...)	79 (2.01)	1 (0.02)
Other Specific	65 (3.67)	1,83 (12.27)	24 (0.45)
P. & L. A/c Balance	3,03 (17.09)	7,47 (18.93)	6,53 (12.33)
Total	5,68 (32.04)	19,59 (49.77)	28,28 (53.40)
Borrowings:			
Banks	... (...)	... (...)	... (...)
Other Finance.	32 (1.80)	87 (2.21)	16 (0.30)
Other Liabilities	59 (3.33)	3,95 (10.01)	2,39 (4.52)
Total	91 (5.13)	1,82 (12.25)	2,55 (4.82)
Grand Total:	17,73 (100.00)	39,36 (100.00)	52,95 (100.00)
Fixed Assets:			
Gross	12,65 (71.35)	21,59 (54.85)	37,67 (71.11)
Depreciation	23 (1.30)	97 (2.46)	3,56 (6.72)
Net Assets	12,42 (70.05)	20,62 (52.39)	34,11 (64.42)
Floating Assets:			
Stocks & Stores	3,72 (20.93)	7,79 (19.79)	8,18 (15.46)
Receivables	26 (1.47)	1,03 (2.62)	2,56 (4.83)
Investments	98 (5.53)	5,24 (13.31)	50 (0.94)
Cash & Other Assets	35 (1.97)	4,68 (11.89)	7,60 (14.35)
Total	5,31 (29.95)	18,74 (47.61)	18,84 (35.58)
Grand Total:	17,73 (100.00)	39,36 (100.00)	52,95 (100.00)

ANNEXURE IV—(*Contd.*)

E. (*For 4 Rupee companies under Indian Managing Agents control.*)

(In '000 Rs.)

Items	Year 1939	1946	1953
1	2	3	4
Liabilities:			
Paid-up Capital	5,57 (73.68)	11,57 (62.04)	10,83 (48.62)
Reserves:			
General	12 (1.59)	70 (3.74)	1,50 (6.73)
Taxation	... (...)	... (...)	1,13 (5.07)
Other Specific	3 (0.40)	2,64 (14.16)	2,72 (12.21)
P. & L. A/c Balance	1,09 (14.41)	1,29 (6.92)	2,69 (12.07)
Total	1,24 (16.40)	4,63 (24.82)	8,04 (36.08)
Borrowings:			
Banks	8 (1.06)	25 (1.35)	... (...)
Other Finance	54 (7.14)	1,39 (7.45)	2,75 (12.34)
Other Liabilities	13 (1.72)	81 (4.34)	66 (2.96)
Total	75 (9.92)	2,45 (13.14)	3,41 (15.30)
Grand Total:	7,56 (100.00)	18,65 (100.00)	22,28 (100.00)
Fixed Assets:			
Gross	6,44 (85.20)	15,15 (81.23)	15,67 (70.33)
Depreciation	2 (0.26)	16 (0.86)	65 (2.92)
Net Assets	6,42 (84.94)	14,99 (80.37)	15,02 (67.41)
Floating Assets:			
Stocks & Stores	34 (4.50)	1,60 (8.58)	2,41 (10.82)
Receivables	9 (1.18)	52 (2.79)	69 (3.10)
Investments	... (...)	7 (0.38)	58 (2.60)
Cash & Other Assets	71 (9.38)	1,47 (7.88)	3,58 (16.07)
Total	1,14 (15.06)	3,66 (19.63)	7,26 (32.59)
Grand Total:	7,56 (100.00)	18,65 (100.00)	22,28 (100.00)

ANNEXURE IV—*(Contd.)*

F. *(For 6 Director Controlled Public Limited Companies—Indian.)*

(In '000 Rs.)

Items	Year 1939	1946	1953
1	2	3	4
Liabilities:			
Paid-up Capital	19,89 (85.77)	23,87 (71.34)	23,87 (58.07)
Reserves:			
General	79 (3.41)	2 (0.05)	4 (0.10)
Taxation	... (...)	45 (1.35)	1 (0.02)
Other Specific	35 (1.51)	2,27 (6.79)	4,09 (9.95)
P. & L. A/c Balance	1,44 (6.21)	3,97 (11.87)	6,64 (16.15)
Total	2,58 (11.13)	6,71 (20.06)	10,78 (26.22)
Borrowings:			
Banks	... (...)	... (...)	2 (0.05)
Other Finance	18 (0.78)	14 (0.42)	14 (0.34)
Other Liabilities	54 (2.32)	2,74 (8.18)	6,30 (15.32)
Total	72 (3.10)	2,88 (8.60)	6,46 (15.71)
Grand Total:	23,19 (100.00)	33,46 (100.00)	41,11 (100.00)
Fixed Assets:			
Gross	19,96 (86.07)	26,80 (80.10)	32,58 (79.26)
Depreciation	1,02 (4.40)	2,08 (6.22)	4,66 (11.34)
Net Assets	18,94 (81.67)	24,72 (73.88)	27,92 (67.92)
Floating Assets:			
Stocks & Stores	1,43 (6.17)	2,89 (8.64)	7,16 (17.41)
Receivables	23 (0.99)	81 (2.42)	1,24 (3.01)
Investments	92 (3.97)	79 (2.36)	64 (1.56)
Cash & Other Assets	1,67 (7.20)	4,25 (12.70)	4,15 (10.10)
Total	4,25 (18.33)	8,74 (26.12)	13,19 (32.08)
Grand Total:	23,19 (100.00)	33,46 (100.00)	41,11 (100.00)

Note: Figures in brackets are percentages.
Source:—Balance Sheets.

ANNEXURE V

A. Statement showing increase in assets for 17 companies of all groups

(In '000 Rs.)

Item	1939	1946	1953	Increase			% of 5 to 2	% of 6 to 3	% of 7 to 2
				1939-1946	1946-1953	1939-1953			
1	2	3	4	5	6	7	8	9	10
Fixed Assets (Net)	1,40,42	1,61,50	2,20,00	21,08	58,50	79,58	15.01	36.22	56.67
Floating Assets:									
(a) Stocks & Stores	19,38	37,51	68,12	18,13	30,61	48,74	93.55	81.60	251.5
(b) Receivables	3,13	6,30	9,53	3,17	3,23	6,40	101.28	51.27	204.47
(c) Investments	5,91	19,75	6,76	13,84	(−)12,99	85	234.18	(−)65.77	14.38
(d) Cash & other Assets	24,37	39,21	1,00,83	14,84	61,12	76,46	60.89	157.15	313.75
Total (a+b+c+d)	52,79	1,02,77	1,85,24	49,98	82,47	1,32,45	94.68	80.25	250.90
Grand Total	1,93,21	2,64,27	4,05,24	7 ,06	1,40,97	2,12,03	36.78	53.34	109.74

ANNEXURE V—(*Contd.*)

B. For 4 Sterling Companies

(In '000 Rs.)

Item	1939	1946	1953	Increase			% of 5 to 2	% of 6 to 3	% of 7 to 2
				1939-1946	1946-1953	1939-1953			
1	2	3	4	5	6	7	8	9	10
Fixed Assets (Net)	97,54	97,48	1,39,48	(−)6	42,00	41,94	(−)0.06	43.09	43.00
Floating Assets:									
(a) Stocks & Stores	13,42	24,34	49,11	10,92	24,77	35,69	81.37	101.77	265.65
(b) Receivables	1,34	3,81	4,84	2,47	1,03	3,50	184.33	27.03	261.19
(c) Investments	3,74	13,38	4,83	9,61	(−)8,55	1,09	257.75	(−)63.90	29.14
(d) Cash & other Assets	21,60	28,49	84,71	6,89	56,22	63,11	31.90	197.33	292.18
Total (a+b+c+d)	40,10	70,02	1,43,49	29,92	73,47	1,03,39	74.61	104.93	257.83
Grand Total	1,37,64	1,67,50	2,82,97	29,86	1,15,47	1,45,33	21.69	68.94	105.58

ANNEXURE V—(*Contd.*)

C. For 1 Rupee Company under Non-Indian Managing Agents Control (In '000 Rs.)

Item	1939	1946	1953	Increase			% of 5 to 2	% of 6 to 3	% of 7 to 2
				1939-1946	1946-1953	1939-1953			
1	2	3	4	5	6	7	8	9	10
Fixed Assets (Net)	5,09	3,69	3,48	(–)1,40	(–)21	(–)1,61	(–)27.50	(–)5.69	(–)31.63
Floating Assets:									
(a) Stocks & Stores	47	89	1,26	42	37	79	89.36	41.57	168.09
(b) Receivables	1,22	13	20	(–)1,09	7	(–)1,02	(–)89.34	53.08	(–)83.61
(c) Investments	27	28	21	1	(–)7	(–)6	3.70	(–)25.00	(–)22.22
(d) Cash & other Assets	3	31	78	28	47	75	933.33	151.61	2500.00
Total (a+b+c+d)	1,99	1,61	2,45	(–)38	84	46	(–)19.09	52.17	23.12
Grand Total	7,08	5,30	5,93	(-)1,78	63	(–)1,15	(–)25.14	11.89	(–)16.24

ANNEXURE V—(*Contd.*)

D. *For 2 partly Non-Indian Rupee Companies under Non-Indian Managing Agents Control*

(In '000 Rs.)

Item	1939	1946	1953	Increase			% of 5 to 2	% of 6 to 3	% of 7 to 2
				1939-1946	1946-1953	1939-1953			
1	2	3	4	5	6	7	8	9	10
Fixed Assets (Net)	12,42	20,62	34,11	8,20	13,49	21,69	66.02	65.42	174.64
Floating Assets:									
(a) Stocks & Stores	3,72	7,79	8,18	4,07	39	4,46	109.41	5.01	119.84
(b) Receivables	26	1,03	2,56	77	1,53	2,30	296.15	148.54	884.62
(c) Investments	93	5,24	50	4,26	(−)4,74	(−)48	434.69	(−)90.46	(−)48.98
(d) Cash & other Assets	35	4,68	7,60	4,33	2,92	7,25	1237.14	62.39	2071.43
Total (a+b+c+d)	5,31	18,74	18,84	13,43	10	13,53	252.92	00.53	251.80
Grand Total	17,73	39,36	52,95	21,63	13,59	35,22	121.99	34.53	193.65

ANNEXURE V—(*Contd.*)

E. For 4 Rupee companies under Indian Managing Agents Control (In '000 Rs.)

Item	1939	1946	1953	Increase			% of 5 to 2	% of 6 to 3	% of 7 to 2
				1939-1946	1946-1953	1939-1953			
1	2	3	4	5	6	7	8	9	10
Fixed Assets (Net)	6,42	14,99	15,02	8,57	3	8,60	133.49	0.20	133.96
***Floating Assets*:**									
(a) Stock & Stores	34	1,60	2,41	1,26	81	2,07	370.59	50.63	603.82
(b) Receivables	9	52	69	43	17	60	477.77	32.69	666.67
(c) Investments	...	7	58	7	51	58	...	728.57	...
(d) Cash & other Assets	71	1,47	3,58	76	2,11	2,87	107.04	143.53	404.22
Total (a+b+c+d)	1,14	3,66	7,26	2,52	3,60	6,12	221.05	98.36	536.84
Grand Total	7,56	18,65	22,28	11,09	3,63	14,72	146.69	19.46	194.71

ANNEXURE V—(*Contd.*)

F. For 6 Director-controlled Public Limited Companies-Indian

(In '000 Rs.)

Item	1939	1946	1953	Increase			% of 5 to 2	% of 6 to 3	% cf 7 to 2
				1939-1946	1946-1953	1939-1953			
1	2	3	4	5	6	7	8	9	10
Fixed Assets (Net)	18,94	24,72	27,92	5,78	3,20	8,98	30.52	12.94	47.41
Floating Assets:									
(a) Stocks & Stores	1,43	2,89	7,16	1,46	4,27	5,73	102.09	147.75	400.70
(b) Receivables	23	81	1,24	58	43	1,01	252.17	53.09	439.13
(c) Investments	92	79	64	(-)13	(-)15	(-)28	(-)14.13	(-)18.99	(-)30.43
(d) Cash & other Assets	1,67	4,25	4,15	2,58	(-)10	2,48	154.49	(-)2.35	148.50
Total (a+b+c+d)	4,25	8,74	13,19	4,49	5,45	8,94	105.65	50.92	210.35
Grand Total	23,19	33,46	41,11	10,27	7,65	17,92	44.28	22.86	77.27

Source : Balance Sheets

ANNEXURE VI.

A. Statement showing assets per acre relating to 17 rubber Companies (According to types of management)

(In Rs.)

Type of Ownership/ Management	1939 Assets			1949 Assets			1953 Assets			% increase or decrease of Fixed Assets per acre		
	Fixed	Floating	Total	Fixed	Floating	Total	Fixed	Floating	Total	1946/ 1939	1953/ 1946	1953/ 1939
1	2	3	4	5	6	7	8	9	10	11	12	13
1. *Sterling Companies* (Controlled by Managing Agents/Secretaries etc.)	415.95	171.00	586.95	393.45	282.65	676.10	536.82	574.37	1111.19	—55	37	29
2. *Rupee Companies : Under Non-Indian Managing Agents control.*												
Non-Indian.	958.57	374.76	1333.33	694.92	303.20	998.12	693.23	488.05	1181.28	—28	—0.3	—28
Partly Non-Indian.	215.06	91.95	307.01	351.58	319.52	671.10	547.42	302.36	849.78	64	55	154
Under Indian Managing Agents Control—Indian.	260.45	46.25	306.70	616.62	150.56	767.18	592.86	271.10	863.96	137	—4	128
Outside Managing Agents control												
Public Ltd.—Indian.	529.49	118.82	648.31	517.26	182.88	700.14	593.87	280.52	874.39	—2	15	12
ALL GROUPS	392.26	147.46	539.72	419.70	267.07	686.77	564.82	462.00	1026.82	7	35	44

Source :—Balance Sheets.

ANNEXURE VI—(*Contd.*)

B. Statement showing assets per acre relating to 17 rubber companies (company-wise) 1953

(In Rs.)

Name of Company	Land	Building	Plant and Machinery	Others	Total (Gross)	Depreciation	Net fixed Assets
1	2	3	4	5	6	7	8
Sterling Companies:							
1.	431.49	...	...	...	431.49	...	431.49
2.	522.44	...	...	0.19	522.63	...	522.63
3.	1,085.94	...	...	...	1,085.94	29.58	1,056.26
4.	367.57	174.22	...	4.63	546.42	84.51	461.90
Total	521.88	30.08	...	0.92	552.88	16.06	536.82
Rupee Non-Indian Companies:							
1.	325.60	434.13	266.39	25.87	1,051.99	358.72	693.27
2.	378.78	141.25	46.43	23.32	589.78	58.22	531.56
3.	497.97	126.66	28.01	23.49	676.13	51.59	624.53
Total	393.65	160.78	59.92	23.54	637.89	79.57	558.32
Rupee Indian Companies:							
1.	315.20	28.09	1.26	4.19	348.74	2.02	346.72
2.	836.70	110.36	31.81	8.98	987.85	52.22	935.63
3.	537.34	9.67	...	23.77	570.78	4.79	565.99
4.	444.07	163.89	6.35	20.45	634.76	33.47	601.29
5.	311.63	25.90	1.86	10.00	349.39	2.43	346.96
6.	632.68	123.56	30.34	11.63	798.21	96.67	701.54
7.	775.38	70.26	...	4.54	850.18	20.46	829.72
8.	494.92	119.43	5.55	5.35	625.25	81.62	543.63
9.	214.65	144.91	4.04	73.97	437.57	68.42	369.15
10.	466.45	189.12	95.82	17.07	763.46	153.65	614.81
Total	494.96	125.41	30.78	15.76	666.91	73.53	593.38
	508.11	71.45	16.08	7.61	602.95	38.12	56 .83

Source:—Balance Sheets.

ANNEXURE VI—(*Contd.*)

C. Statement showing growth in fixed assets per acre relating to 14 rubber companies during the period 1939, 1946 and 1953 (In Rs.)

Name of Company	1939					1946					1953				
	Land	Building	Plant & Machinery	Others	Total Gross	Land	Building	Plant & Machinery	Others	Total Gross	Land	Building	Plant & Machinery	Others	Total Gross
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Sterling:															
1.	587.87	33.71	...	...	651.58	513.57	57.24	...	1.95	572.76	367.57	174.22	...	4.63	546.42
Rupee Non-Indian:															
1.	724.95	209.93	117.81	10.34	1,063.03	530.49	285.26	95.22	9.73	890.70	325.60	434.13	266.39	25.87	1,051.99
2.	170.77	7.23	7.27	0.81	186.08	320.99	24.65	11.21	3.21	360.08	378.78	141.25	46.43	23.32	589.78
3.	350.25	30.83	17.78	1.78	400.64	358.99	31.17	16.43	1.79	408.38	497.97	126.66	28.01	23.49	676.13
Rupee Indian															
1.	459.17	18.99	1.38	1.10	480.64	428.24	26.88	1.11	3.84	460.07	315.20	28.09	1.26	4.19	348.74
2.	214.34	...	...	...	214.34	961.92	57.81	25.18	1.36	1,046.27	836.72	110.36	31.81	8.98	987.85
3.	375.88	24.35	...	2.51	402.94	551.41	9.66	6.21	42.76	610.04	537.34	9.67	...	23.77	570.78
4.	89.54	4.82	0.12	0.62	95.10	426.96	35.87	1.55	3.72	468.10	444.07	163.89	6.35	20.45	634.76
5.	251.12	21.00	1.99	7.53	231.64	291.50	31.39	0.61	7.75	331.25	311.63	25.90	1.86	10.00	349.39
6.	295.07	40.74	17.32	3.53	356.66	440.07	82.64	19.65	7.05	549.41	632.63	123.56	30.34	11.63	798.21
7.	1,000.99	10.57	...	3.41	1,022.97	728.79	16.18	...	2.83	747.80	775.38	70.26	...	4.54	850.18
8.	540.40	54.48	1.28	0.94	596.10	441.83	74.75	4.86	2.27	523.76	494.92	119.43	5.55	4.35	625.25
9.	283.08	...	3.04	7.93	294.05	267.65	11.54	2.07	18.77	300.01	214.65	144.91	4.04	73.97	437.57
10.	549.94	69.81	18.94	2.18	640.87	427.69	157.23	42.46	2.01	629.39	466.45	189.12	95.82	17.07	768.46

Source :—Balance Sheets.

ANNEXURE VII-A

1. Statement showing sources of financing capital formation for 17 rubber companies under all groups

(Figures in cols. 1 to 6 in '000 Rs.)

Source	1939	1946	1953	Increase/ decrease 1939-1946	Increase/ decrease 1946-1953	Increase/ decrease 1939-1953	Percentage of 4 to 1	Percentage of 5 to 2	Percentage of 6 to 1
	1	2	3	4	5	6	7	8	9
Paid-up capital	1,45,06	1,59,68	1,66,81	14,62	7,13	21,75	10.08	4.47	14.99
General reserves	3,37	18,85	50,77	15,48	31,92	47,40	459.35	169.34	1406.53
Taxation reserves	1,95	5,44	36,48	3,49	31,04	34,53	178.97	570.59	1770.76
Other specific reserves	9,96	19,06	58,25	9,10	39,19	48,29	91.37	205.61	484.84
Profit and Loss account balance	22,96	20,74	27,73	(−)2,22	6,99	4,77	(−)9.67	33.70	20.78
Borrowings	9,91 (8)	40,50 (25)	65,20 (1,01)	30.59 (17)	24,70 (76)	55,29 (93)	308.68 (212.50)	60.99 (304.00)	557.92 (1162.50)

Note: Figures in brackets relate to bank borrowings.

ANNEXURE VII-A

2. (For 4 Sterling companies)

(Figures in cols. 1 to 6 in '000 Rs.)

Source	1939	1946	1953	Increase/ decrease 1939-1946	Increase/ decrease 1946-1953	Increase/ decrease 1939-1953	Percentage of 4 to 1	Percentage of 5 to 2	Percentage of 6 to 1
	1	2	3	4	5	6	7	8	9
Paid-up capital	1,05,66	1,06,49	1,06,49	83	...	83	0.79	...	0.79
General reserves	46	11,63	27,30	11,17	15,67	26,84	2428.26	134.74	5834.78
Taxation reserves	1,94	3,79	34,78	1,85	30,99	32,84	95.36	817.68	1692.78
Other specific reserves	7,81	8,31	51,15	50	42,84	43,34	6.40	515.52	554.93
Profit and Loss account balance	17,10	7,32	10,88	(–)9,78	3,56	(–)6,22	(–)57.18	48.63	(–)36.38
Borrowings	4,67 (. .)	29,96 (. .)	52,37 (99)	25,29 (. .)	22,41 (99)	47,70 (99)	541.54 (. .)	74.80 (. .)	1021.41 (. .)

Note: Figures in brackets relate to bank borrowings.

ANNEXURE VII-A

3. *(For 1 Rupee Non-Indian company under Non-Indian Managing Agents control)*

(Figures in cols. 1 to 6 in '000 Rs.)

Source	1939	1946	1953	Increase/ decrease 1939-1946	Increase/ decrease 1946-1953	Increase/ decrease 1939-1953	Percentage of 4 to 1	Percentage of 5 to 2	Percentage of 6 to 1
	1	2	3	4	5	6	7	8	9
Paid-up capital	2,80	2,80	3,50	...	70	70	...	25.00	25.00
General reserves	...	...	44	...	44	44	...	...	...
Taxation reserves	1	41	55	40	14	54	4000.00	34.14	5400.00
Other specific reserves	1,11	1,00	4	(–)11	(–)96	(–)1,07	(–)9.91	(–)96.00	(–)96.40
Profit and Loss account balance	31	69	99	30	30	68	122.58	43.48	219.35
Borrowings	2,85 (..)	40 (..)	41 (..)	(–)2,45 (..)	1 (..)	(–)2,44 (..)	(–)85.96 (..)	2.50 (..)	(–)85.61 (..)

Note: Figures in brackets relate to bank borrowings.

ANNEXURE VII-A

4. *(For 2 partly Non-Indian Rupee companies under Non-Indian Managing Agents control)*

(Figures in cols. 1 to 6 in '000 Rs.)

Source	1939	1946	1953	Increase/ decrease 1939-1946	Increase/ decrease 1946-1953	Increase/ decrease 1939-1953	Percentage of 4 to 1	Percentage of 5 to 2	Percentage of 6 to 1
	1	2	3	4	5	6	7	8	9
Paid-up capital	11,14	14,95	22,12	3,81	7,17	10,98	34.20	47.96	98.56
General reserves	2,00	6,50	21,50	4,50	15,00	19,50	225.00	230.77	975.00
Taxation reserves	...	79	1	79	(–)78	1	...	(–)98.73	...
Other specific reserves	65	4,83	24	4,18	(–)4,59	(–)41	643.08	(–)95.03	(–)63.08
Profit and Loss account balance	3,03	7,47	6,53	4,44	(–)94	3,50	146.53	(–)12.58	115.51
Borrowings	91 (...)	4,82 (...)	2,55 (...)	3,91 (...)	(–)2,27 (...)	1,64 (...)	429.67 (...)	(–)47.10 (...)	180.22 (...)

Note: Figures in brackets relate to bank borrowings.

ANNEXURE VII-A

5. *(For 4 Rupee Indian companies under Indian Managing Agents control)*

(Figures in cols. 1 to 6 in '000 Rs.)

Source	1939	1946	1953	Increase/ decrease 1939-1946	Increase/ decrease 1946-1953	Increase/ decrease 1939-1953	Percentage of 4 to 1	Percentage of 5 to 2	Percentage of 6 to 1
	1	2	3	4	5	6	7	8	9
Paid-up capital	5,57	11,57	10,83	6,00	(–)74	5,26	107.72	(–)6.39	94.43
General reserves	12	70	1,50	58	80	1,33	483.33	114.29	1150.00
Taxation reserves	...	...	1,13	...	1,13	1,13	...	...	...
Other specific reserves	3	2,64	2,72	2,61	8	2,69	8700.00	3.03	8966.67
Profit and Loss account balance	1,09	1,29	2,69	20	1,40	1,60	18.35	108.53	146.79
Borrowings	75 (8)	2,45 (25)	3,41 (...)	1,70 (17)	96 (–25)	2,66 (–8)	226.67 (212.50)	39.18 (–100.00)	354.67 (–100.00)

Note: Figures in brackets relate to bank borrowings.

ANNEXURE VII-A

6. (For 6 Director controlled Public Ltd. companies-Indian)

(Figures in cols. 1 to 6 in '000 Rs.)

Source	1939	1946	1953	Increase/ decrease 1939-1946	Increase/ decrease 1946-1953	Increase/ decrease 1939-1958	Percentage of 4 to 1	Percentage of 5 to 2	Percentage of 6 to 1
	1	2	3	4	5	6	7	8	9
Paid-up capital	19,89	23,87	23,87	3,98	...	3,98	20.01	...	20.01
General reserves	79	2	4	(–)77	2	(–)75	(–)97.47	100.00	(–)94.94
Taxation reserves	...	45	1	45	(–)44	1	...	(–)97.78	...
Other specific reserves	35	2,27	4,09	1,92	1,82	3,74	548.57	80.18	1068.57
Profit and Loss account balance	1,44	3,97	6,64	2,23	2,67	5,20	175.69	67.25	361.11
Borrowings	72 (...)	2,88 (...)	6,46 (2)	2,16 (...)	3,58 (2)	5,74 (2)	300.00 (...)	124.31 (...)	797.22 (...)

Note: Figures in brackets relate to bank borrowings.

Source : Balance Sheets.

ANNEXURE VII-B

Statement showing liabilities per acre. 1953

(In Rs.)

Name of Company	Paid-up capital	RESERVES					Paid-up capital & Reserves
		General	Taxation	Other Specific	P. & L. A/c.	Total	
1	2	3	4	5	6	7	8
Sterling							
1.	252.42	221.27	62.95	79.97	20.89	405.05	657.47
2.	391.50	129.63	143.17	228.46	22.34	523.60	920.10
3.	624.51	52.04	307.32	181.85	433.88	975.10	1599.61
4.	445.83	...	26.60	74.31	18.11	119.02	564.85
Average	409.87	105.07	133.86	196.87	41.87	477.67	887.54
Rupee Non-Indian.							
1.	697.27	86.63	109.52	8.82	197.93	402.91	1100.18
2.	369.17	309.66	...	3.70	106.60	419.96	789.13
3.	286.75	516.92	.49	4.80	96.07	618.27	905.02
Average	380.60	225.73	8.24	4.26	111.74	450.02	830.62
Rupee Indian							
1.	365.38	32.94	...	69.82	41.13	143.89	509.27
2.	607.48	140.19	181.30	233.64	248.05	803.20	1410.68
3.	404.04	252.53	2.24	75.76	103.18	433.71	837.75
4.	384.25	...	15.10	195.97	81.07	292.13	676.38
5.	258.52	16.30	...	70.13	98.82	185.25	444.07
6.	228.17	...	3.03	517.90	179.55	700.49	928.66
7.	733.98	...	...	188.14	252.44	440.58	1174.56
8.	498.75	...	146.69	7.92	138.96	293.57	792.32
9.	263.54	...	...	89.44	117.96	207.40	470.94
10.	616.74	...	...	...	111.64	111.64	728.38
Average	479.50	21.25	22.97	113.25	128.97	286.44	765.94

Source : Balance Sheets.

ANNEXURE VIII

I. Capital, Reserves, Profits, Fixed Assets etc. of selected Rubber Plantation Companies—1950.

(Amount in Rs. per acre)

Name of Company	Share Capital	Reserves	Profits					Fixed Assets				Manag-ing Ag-ent's Commi-ssion	Inte-rest
			Retained	Distri-buted	After Tax	Before Tax	Gross	Land	Build-ing	Machi-nery	Others		
	1	2	3	4	5	6	7	8	9	10	11	12	13
Controlled by Indians													
1.	857	139	...	56	56	103	128	1113	107	28	17	26	...
2.	886	13	13	61	73	114	157	1162	89	13	8	18	25
3.	513	-90	-15	...	-15	-15	-15	382	67	...	8	...	...
4.	427	87	5	34	40	40	50	488	51	2	14	11	...
5.	716	359	260	...	260	260	289	655	75	5	3	30	...
6.	1562	14	11	74	85	99	99	1114	81	73	102	...	...
7.	1019	771	46	76	122	251	319	1829	243	32	20	39	29
8.	660	134	71	45	116	118	152	729	84	...	24	15	18
9.	552	52	11	37	48	85	97	468	105	80	12	10	2
10.	1539	137	5	130	135	249	272	1478	129	65	6	23	...

(*Contd.*)

ANNEXURE VIII—(*Contd.*)

I. Capital, Reserves, Profits, Fixed Assets etc. of selected Rubber Plantation Companies—1950.

(Amount in Rs. per acre)

Name of Company	Share Capital	Reserves	Profits					Fixed Assets				Managing Agent's Commission	Interest
			Retained	Distributed	After Tax	Before Tax	Gross	Land	Building	Mechinery	Others		
	1	2	3	4	5	6	7	8	9	10	11	12	13
11.	980	-20	-5	...	-5	-5	(–)5	848	27	20	35	...	...
12.	1358	234	114	94	208	317	381	1581	175	59	14	36	29
13.	517	7	4	52	56	86	93	477	114	6	10	...	7
14.	921	158	34	22	57	131	171	1129	114	16	7	18	21
15.	280	407	37	84	121	186	186	513	116	37	24	...	...
16.	1958	...	-25	108	83	125	158	1667	83	25	8	33	...
17.	2344	-78	16	...	16	16	31	2172	102	...	8	8	8
18.	2528	124	...	79	79	129	191	1528	90	28	6	34	28
19.	853	94	24	..	24	45	58	1026	...	13	26	5	8
20.	404	348	51	40	91	101	116	535	...	...	25	15	...
21.	434	276	-12	87	75	127	127	558	38	12	68	...	...
22.	192	388	...	48	48	80	80	450	83	20	8	...	...

(*Contd.*)

ANNEXURE VIII—(*Contd.*)

I. Capital, Reserves, Profits, Fixed Assets etc. of selected Rubber Plantation Companies—1950.

(Amount in Rs. per acre)

Name of Company	Share Capital	Reserves	Profits					Fixed Assets				Managing Agent's Commission	Interest
			Retained	Distributed	After Tax	Before Tax	Gross	Land	Building	Machinery	Others		
	1	2	3	4	5	6	7	8	9	10	11	12	13
23.	758	87	...	47	47	90	119	780	40	11	7	22	7
24.	333	73	–6	17	11	40	40	395	34	...	11	...	...
25., 26., 27.	Not Available.												
1 to 24.	867	182	38	60	98	148	169	918	99	32	20	14	7
Controlled by Non-Indians.													
1.	297	279	42	56	98	98	106	436	83	28	25	7	...
2.	778	146	9	57	66	67	74	595	118	22	6	7	...
3.	369	447	5	74	79	79	82	458	81	21	21	4	...
4.	864	242	5	109	114	203	214	896	41	14	...	11	...
1 to 4.	471	265	27	63	90	99	107	521	86	24	18	7	...

ANNEXURE VIII—(*Contd.*)

1. Capital, Reserves, Profits, Fixed Assets etc. of selected Rubber Plantation Companies—1951.

(Amoun in Rs. per acre)

Name of Company	Share Capital	Reserves	Profits					Fixed Assets				Managing agents Commission	Interest
			Retained	Distributed	After Tax	Before Tax	Gross	Land	Building	Machinery	Others		
	1	2	3	4	5	6	7	8	9	10	11	12	13
Controlled by Indians													
1.	857	225	86	103	138	295	334	957	105	28	17	30	...
2.	886	46	30	53	84	129	170	1162	89	13	8	18	23
3.	526	-103	-16	...	-16	-16	-11	392	63	...	8	...	5
4.	427	101	17	34	51	51	63	521	51	2	20	12	...
5.	716	462	88	73	161	161	181	655	158	19	13	21	...
6.	1501	43	36	71	107	120	123	1034	96	88	161	...	2
7.	1019	905	88	127	216	418	503	1829	248	32	17	63	22
8.	660	154	21	82	53	87	115	729	78	...	18	13	15
9.	532	107	57	46	103	166	223	725	200	141	19	23	34
10.	1539	175	45	145	190	303	330	1416	131	70	6	27	...

(*Contd.*)

ANNEXURE VIII—(*Contd.*)

1. Capital, Reserves, Rubber, Profits, Fixed Assets etc. of selected Rubber Plantation Companies—1951.

(Amount in Rs. per acre)

Name of Company	Share Capital	Reserves	Profits					Fixed Assets				Managing Agent's Commission	Interest
			Retained	Distributed	After Tax	Before Tax	Gross	Land	Building	Machinery	Others		
	1	2	3	4	5	6	7	8	9	10	11	12	13
11.	980	3	20	39	59	87	87	848	25	18	37	...	...
12.	1358	272	35	107	142	216	265	1581	175	62	14	27	21
13.	524	38	37	105	141	238	244	510	126	6	12	...	5
14.	921	221	63	43	106	168	203	1129	114	16	31	17	17
15.	279	441	37	98	134	205	205	511	123	40	26	...	...
16.	1958	...	...	108	108	158	192	1667	83	25	8	33	...
17.	2344	–47	31	...	31	31	55	2180	172	8	8	8	16
18.	2528	152	22	101	124	225	275	1528	96	22	6	39	11
19.	860	135	61	...	61	87	103	950	116	16	26	8	18
20.	404	364	15	30	45	91	106	535	...	...	25	15	...
21.	507	339	26	93	120	185	187	558	35	11	37	...	1
22.	192	407	42	80	122	195	195	472	92	20	8	...	...

(*Contd.*)

ANNEXURE VIII—(*Contd.*)

1. *Capital, Reserves, Profits, Fixed Assets etc. of selected Rubber Plantation Companies—1951.*

(Amount in Rs. per acre)

Name of Company	Share Capital	Reserves	Profits					Fixed Assets				Managing Agent's Commission	Interest
			Retained	Distributed	After Tax	Before Tax	Gross	Land	Building	Machinery	Others		
	1	2	3	4	5	6	7	8	9	10	11	12	13
23.	1400	67	40	87	127	213	260	867	100	33	13	40	7
24.	333	102	28	45	73	113	113	395	34	...	17	...	...
25., 26., 27.	Not Available												
1 to 24.	873	229	43	80	123	187	210	926	118	39	25	16	8
Controlled by Non-Indians.													
1.	271	414	63	84	147	162	168	409	92	41	31	7	...
2.	778	157	44	143	187	191	204	612	126	26	6	14	...
3.	348	475	64	87	151	151	155	459	88	22	23	5	...
4.	864	328	87	173	260	393	408	905	41	14	...	15	...
1 to 4.	444	358	62	105	167	189	197	505	94	33	22	9	...

ANNEXURE VIII—(*Contd.*)

1. Capital, Reserves, Profits, Fixed Assets etc. of selected Rubber Plantation Companies—1952.

(Amount in Rs. per acre)

Name of Company	Share Capital	Reserves	Profits					Fixed Assets				Managing Agent's Commission	Interest
			Retained	Distributed	After Tax	Before Tax	Gross	Land	Building	Machinery	Others		
	1	2	3	4	5	6	7	8	9	10	11	12	13
Controlled by Indians.													
1.	857	253	28	156	184	291	330	959	124	34	19	39	...
2.	886	121	76	53	129	197	243	1162	89	13	8	28	23
3.	526	-95	13	...	13	13	16	392	61	3	8	...	3
4.	427	143	41	34	75	75	90	442	157	7	26	15	...
5.	716	253	-209	109	-100	-100	-92	655	201	19	13	8	...
6.	1487	43	-5	79	75	96	101	1083	88	83	103	...	5
7.	1019	1070	75	255	329	531	601	1830	248	32	25	61	8
8.	660	225	69	40	109	144	172	729	72	...	21	18	10
9.	532	154	44	35	80	122	174	746	220	145	19	18	33
10.	1492	259	85	154	239	363	393	1373	160	73	5	30	...

(*Contd.*)

ANNEXURE VIII—(*Contd.*)

1. Capital, Reserves, Profits, Fixed Assets etc. of selected Rubber Plantation Companies—1952.

(Amount in Rs. per acre)

Name of Company	Share Capital	Reserves	Profits					Fixed Assets				Managing Agent's Commission	Interest
			Retained	Distributed	After Tax	Before Tax	Gross	Land	Building	Machinery	Others		
	1	2	3	4	5	6	7	8	9	10	11	12	13
11.	980	13	3	35	39	39	39	818	27	...	49	..	...
12.	1358	280	6	107	113	172	215	1581	175	62	14	23	20
13.	524	43	37	105	141	221	226	510	126	6	5	...	5
14.	921	300	77	43	120	187	219	1129	114	16	23	18	14
15.	297	551	81	164	245	372	372	555	173	51	31	...	...
16.	1958	...	...	108	108	158	192	1667	83	25	8	33	...
17.	2344	-16	31	...	31	31	63	2180	180	8	8	8	24
18.	2528	157	...	129	129	197	247	1528	96	22	6	39	11
19.	1161	179	-4	36	32	61	79	1246	171	21	32	11	7
20.	404	359	-5	30	25	56	66	535	...	...	25	10	...
21.	510	336	4	114	118	184	186	570	37	12	88	...	3
22.	204	462	27	41	67	112	112	531	106	67	11	...	...

(*Contd.*)

ANNEXURE VIII—(*Contd.*)

1. Capital, Reserves, Profits, Fixed Assets etc. of selected Rubber Plantation Companies—1952.

(Amount in Rs. per acre)

Name of Company	Share Capital	Reserves	Profits					Fixed Assets				Managing Agent's Commission	Interest
			Retained	Distributed	After Tax	Before Tax	Gross	Land	Building	Machinery	Others		
	1	2	3	4	5	6	7	8	9	10	11	12	13
23.	1400	67	7	87	93	147	173	867	100	33	13	27	...
24.	333	107	23	56	79	119	119	401	28	...	11	...	...
25. 26. 27.	Not Available												
1 to 24.	880	257	27	97	124	190	212	934	138	41	25	15	7
Controlled by Non-Indians													
1.	428	321	74	103	176	187	196	415	132	52	35	9	...
2.	778	207	47	143	190	190	206	640	138	27	6	16	1
3.	348	556	30	87	167	167	172	513	115	34	34	6	...
4.	864	418	89	173	262	391	407	918	41	14	...	15	...
1 to 4.	534	333	70	116	186	205	216	521	123	41	26	11	...

ANNEXURE VIII—(*Contd.*)

Capital, Reserves, Profits, Fixed Assets etc. of selected Rubber Plantation Companies—1953.

(Amount in Rs. per acre)

Name of Company	Share Capital	Reserves	Profits					Fixed Assets				Managing Agent's Commission	Interest
			Retained	Distributed	After Tax	Before Tax	Gross	Land	Building	Machinery	Others		
	1	2	3	4	5	6	7	8	9	10	11	12	13
Controlled by Indians													
1.	696	270	19	176	195	302	343	959	126	36	19	41	...
2.	886	233	109	68	177	271	316	1162	89	13	8	25	20
3.	526	-84	11	...	11	11	13	392	58	3	8	...	3
4.	427	181	43	34	77	85	101	494	175	7	32	16	...
5.	716	198	-56	76	19	19	28	653	200	19	13	9	...
6.	1452	48	6	95	101	137	137	1061	87	80	104	...	...
7.	1019	1138	68	306	374	569	632	1826	272	37	27	63	...
8.	660	296	71	40	111	129	152	729	75	...	17	14	10
9.	517	202	50	37	87	140	191	745	224	150	19	20	32
10.	1466	299	44	152	195	313	348	1361	166	72	6	35	...

(*Contd.*)

ANNEXURE VIII—(*Contd.*)

Capital, Reserves, Profits, Fixed Assets etc. of selected Rubber Plantation Companies—1953.

(Amount in Rs. per acre)

Name of Company	Share Capital	Reserved	Profits					Fixed Assets				Managing Agent's Commission	Interest
			Retained	Distributed	After Tax	Before Tax	Gross	Land	Building	Machinery	Others		
	1	2	3	4	5	6	7	8	9	10	11	12	13
11.	980	3	-2	59	57	74	74	848	32	23	23	...	...
12.	1358	276	-6	94	88	145	183	1581	187	62	23	20	18
13.	524	50	36	105	141	217	225	520	126	6	6	...	8
14.	921	346	44	96	140	243	274	1129	114	16	16	21	10
15.	294	590	44	133	176	283	306	515	197	59	33	24	...
16.	1953	8	8	42	50	92	125	1667	83	33	8	33	...
17.	2344	8	23	70	94	94	117	2219	180	8	8	8	16
18.	2528	169	6	157	163	247	275	1528	112	34	11	28	...
19.	956	147	-3	29	26	44	59	818	126	18	24	12	3
20.	404	374	15	30	45	71	86	545	...	...	30	15	...
21.	524	350	5	158	163	255	258	580	51	17	76	...	3
22.	213	533	50	76	126	200	200	591	115	28	11	...	...

(*Contd.*)

ANNEXURE VIII—(*Contd.*)

1. Capital, Reserves, Profits, Fixed Assets etc. of selected Rubber Plantation Companies—1953.

(Amount in Rs. per acre)

Name of Company	Share Capital	Reserves	Profits					Fixed Assets				Managing Agent's Commission	Interest
			Retained	Distributed	After Tax	Before Tax	Gross	Land	Building	Machinery	Others		
	1	2	3	4	5	6	7	8	9	10	11	12	13
23.	1556	104	22	156	178	281	281	763	111	37	22	...	...
24.	333	147	51	56	107	107	107	401	33	...	11	...	...
25. 26. 27.	Not Available												
1 to 24.	870	282	29	101	130	**198**	222	926	145	44	24	18	6
Controlled by Non-Indians.													
1.	437	394	66	105	171	179	188	448	156	55	45	9	...
2.	778	209	9	108	117	174	190	687	153	37	13	15	1
3.	363	683	95	111	203	207	215	642	160	36	37	7	...
4.	864	503	93	173	236	409	424	957	41	21	...	15	...
1 to 4.	543	393	60	113	172	203	214	569	145	46	33	11	...

Source : Reserve Bank.

ANNEXURE VIII—(*Contd.*)

I. Capital, Reserves, Profits, Fixed Assets etc. of selected Rubber Plantation Companies.

(Data based on averages for the 4 years 1950-53) (Amounts in Rupees per acre)

Name of Company	Share Capital	Reserves	Profits					Fixed Assets				Managing agents Commission	Interest
			Retained	Distributed	After Tax	Before Tax	Gross	Land	Building	Machinery	Others		
	1	2	3	4	5	6	7	8	9	10	11	12	13
Controlled by Indians.													
1.	816	222	32	123	155	248	283	997	116	32	18	36	...
2.	886	103	57	59	116	178	222	1162	114	13	8	21	23
3.	523	–94	–2	...	–2	–2	1	390	62	1	8	...	3
4.	427	112	26	34	60	63	76	486	109	5	23	13	...
5.	716	318	20	64	84	85	102	655	158	16	11	17	...
6.	1500	39	12	80	92	113	115	1085	88	81	117	...	2
7.	1019	993	69	191	260	442	514	1829	253	34	22	56	15
8.	660	202	58	39	97	119	148	729	77	...	20	15	13
9.	533	130	41	39	80	129	173	673	189	130	17	18	25
10.	1508	219	45	145	190	307	336	1406	147	70	6	29	...

(*Contd.*)

ANNEXURE VIII—(*Contd.*)

I. Capital, Reserves, Profits, Fixed Assets etc. of selected Rubber Plantation Companies.

(Data based on averages for the 4 years 1950-53) (Amounts in Rupees per acre)

Name of Company	Share Capital	Reserves	Profits					Fixed Assets				Managing agents Commission	Interest
			Retained	Distributed	After Tax	Before Tax	Gross	Land	Building	Machinery	Others		
	1	2	3	4	5	6	7	8	9	10	11	12	13
11.	980	...	4	33	37	49	49	848	28	15	36	...	...
12.	1358	266	37	101	138	212	216	1581	178	61	16	26	22
13.	522	34	28	91	119	190	197	504	123	6	8	...	6
14.	921	256	55	51	106	182	216	1129	114	16	19	19	15
15.	287	496	49	119	168	260	265	523	151	46	28	6	...
16.	1958	2	-4	92	88	133	167	1667	83	27	8	33	...
17.	2344	-33	25	18	43	43	66	2188	158	6	8	8	16
18.	2528	150	7	117	124	199	247	1669	98	27	7	35	13
19.	943	136	22	15	35	59	75	999	98	17	27	9	7
20.	404	361	19	33	52	80	93	538	...	...	27	14	...
21.	494	325	6	113	119	188	189	567	40	13	67	...	2
22.	200	445	29	61	90	146	146	508	98	23	10	...	...

(*Contd.*)

ANNEXURE VIII—(*Contd.*)

1. *Capital, Reserves, Profits, Fixed Assets etc. of selected Rubber Plantation Companies.*

(Data based on averages for the 4 years 1950-53) (Amounts in Rupees per acre)

Name of Company	Share Capital	Reserves	Profits					Fixed Assets				Managing Agents Commission	Interest
			Retained	Distributed	After Tax	Before Tax	Gross	Land	Building	Machinery	Others		
	1	2	3	4	5	6	7	8	9	10	11	12	13
23.	1180	81	14	84	98	164	191	813	79	25	13	22	4
24. 25. 26. 27.	Not Available.												
1 to 23.	878	239	34	85	119	182	204	933	127	39	24	16	7
Controlled by Non-Indians.													
1.	360	353	62	87	149	158	166	427	117	41	34	8	...
2.	778	180	27	113	140	155	169	633	134	28	8	13	...
3.	353	539	61	90	151	151	156	515	111	28	29	5	...
4.	864	374	69	157	226	349	363	919	41	15	...	14	...
1 to 4.	498	339	55	100	155	175	185	529	112	36	25	9	...

Source : Reserve Bank.

ANNEXURE VIII

I. Statement showing excess or deficit of net fixed assets over net worth

(In Rs. per acre)

CONTROLLED BY INDIANS

S.No.	Share Capital	Reserves	Net worth (Total of cols. 1 & 2)	Net fixed assets	Difference (4—5)
1	2	3	4	5	6
1	696	270	966	1,073	–107
2	886	233	1,119	1,223	–104
3	526	–84	442	458	–16
4	427	181	608	671	–63
5	716	198	914	848	66
6	1,452	48	1,500	1,209	291
7	1,019	1,138	2,157	2,068	89
8	660	296	956	315	141
9	517	202	719	1,029	–310
10	1,466	299	1,765	1,479	286
11	980	3	983	916	67
12	1,358	276	1,634	1,739	–105
13	524	50	574	572	2
14	921	346	1,267	1,238	29
15	294	590	884	651	233
16	1,958	8	1,966	1,767	199
17	2,344	8	2,352	2,391	–39
18	2,538	169	2,697	1,635	1,062
19	956	147	1,103	950	153
20	404	374	778	571	207
21	524	350	874	704	170
22	213	533	746	654	92
23	1,556	104	1,660	874	786
24	333	147	480	446	34
Average	870	282	1,152	1,061	91

Source: Reserve Bank

ANNEXURE VIII—(*Contd.*)

II. Composite balance sheet of 4 selected public limited Rubber plantation companies.

(Lakhs of Rupees)

CONTROLLED BY NON-INDIANS

	1950	1951	1952	1953
A. *Capital and Liabilities.*				
Paid-up Capital				
1. Ordinary	31	31	38	38
2. Preference	3	3	3	3
3. Deferred	...	...	...	...
Total	34	34	41	41
Reserves				
4. General	11	15	21	26
5. Taxation	...	1	1	1
6. Development	3	...	...	...
7. Others	2	9	2	2
Borrowings				
8. From Banks	...	...	...	...
9. Mortgages	...	...	...	...
10. Debentures	...	...	...	...
11. Due to Trade	...	...	...	...
12. Others	1	...	...	1
Other Liabilities				
13. Miscellaneous Current	8	12	13	12
14. Miscellaneous Non-Current	4	...	...	...
15. Balance of Profit	4	3	3	2
Grand Total	65	74	80	85

ANNEXURE VIII—(*Contd.*)

II. Composite Balance Sheet of 4 selected public limited Rubber plantation companies.

(Lakhs of Rupees)

CONTROLLED BY NON-INDIANS

	1950	1951	1952	1953
B. Assets				
Fixed Assets				
1. Land	37	38	40	43
2. Buildings	6	7	9	11
3. Plant and Machinery	2	3	3	3
4. Others	1	2	2	2
Total (Gross)	47	50	54	60
Less Depreciation	3	4	4	5
Total (Net Fixed Assets)	44	46	50	55
Stocks and Stores				
5. Raw materials	...	...	...	...
6. Finished goods and work-in-progress	7	11	10	8
7. Stores	2	3	4	3
8. Others	...	...	...	...
Total	9	14	14	11
Receivables				
9. Book depots	2	...	...	2
10. Advance against goods	...	...	...	...
11. Others	...	1	1	1
Total	2	1	1	3
Investments				
12. Government Securities	3	3	2	2
13. Semi-Government Securities	...	...	...	...
14. Industrial Securities	1	1	1	1
Total	4	4	3	3
Other Assets				
15. (a) Advance of Income-tax	...	...	...	...
(b) E. P. T. Deposits	...	...	...	...
16. Miscellaneous Current	...	...	1	...
17. Miscellaneous Non-Current	1	...	...	...
18. Intangible	...	...	...	...
19. Cash	7	9	12	13
Grand Total	67	74	81	58

ANNEXURE VIII

Composite Balance Sheet of 27 Selected Public Limited Rubber Plantation Companies.

(Lakhs of Rupees)

CONTROLLED BY INDIANS

	1950	1951	1952	1953
A. Capital and Liabilities				
Paid-up Capital				
1. Ordinary	103	104	104	104
2. Preference	52	51	51	51
3. Deferred	...	...	...	...
Total	155	155	155	155
Reserves				
4. General	7	8	22	23
5. Taxation	11	16	16	20
6. Development	8	9	5	6
7. Others	11	17	13	16
Borrowings				
8. From Banks	1	3	6	1
9. Mortgages	...	...	...	...
10. Debentures	15	14	12	10
11. Due to Trade	...	...	...	...
12. Others	2	1	6	4
Other Liabilities				
13. Miscellaneous Current	25	23	31	28
14. Miscellaneous Non-Current	5	5	5	7
15. Balance of Profit	6	6	4	4
Grand Total	246	257	275	274

ANNEXURE VIII

Composite Balance Sheet of 27 Selected Public Limited Rubber Plantation Companies.

(Lakhs of Rupees)

CONTROLLED BY INDIANS

	1950	1951	1952	1953
B. *Assets*				
Fixed Assets				
1. Land	164	165	165	164
2. Buildings	18	21	24	25
3. Plant and Machinery	6	7	7	8
4. Others	4	4	4	4
Total (Gross)	192	197	200	201
Less Depreciation	10	11	12	14
Total Net Fixed Assets	182	186	188	187
Stocks and Stores				
5. Raw materials	...	...	...	...
6. Finished good and work in progress	21	19	27	17
7. Stores	3	5	5	4
8. Others	...	...	...	...
Total	24	24	32	21
Receivables				
9. Book Debts	3	4	5	5
10. Advance against goods	1	...	1	1
11. Others	3	10	7	7
Total	7	14	13	13

(...*Contd.*)

ANNEXURE VIII (*Contd.*)

Composite Balance Sheet of 27 Selected Public Limited Rubber Plantation Companies.

(Lakhs of Rupees)

CONTROLLED BY INDIANS

	1950	1951	1952	1953
1	2	3	4	5
B. Assets—(Contd.)				
Investments				
12. Government Securities	2	2	2	4
13. Semi-Government Securities	...	...	...	...
14. Industrial Securities	7	7	7	7
Total	9	9	9	11
Other Assets				
15. (a) Advance of Income-Tax	...	...	...	...
(b) E. P. T. Deposits	...	...	...	...
16. Miscellaneous Current	1	1	...	...
17. Miscellaneous Non-Current	...	...	...	...
18. Intangible	...	...	...	...
19. Cash	23	25	32	43
Grand Total	246	259	274	275

Source : Reserve Bank

ANNEXURE VIII—(*Contd.*)

III. Sources and uses of funds of 27 selected Public Ltd. Rubber Plantation companies—1950-53

CONTROLLED BY INDIANS

(In lakhs of Rupees)

Sources of Funds	1951	1952	1953	Total	Use of funds	1951	1952	1953	Total
I. *Paid-up Capital (excluding Capitalised Reserves).*	...	...	...	...	I. *Gross Fixed Assets Formation:*				
II. *Borrowings*					(a) Land	1	...	–1	...
(a) From Banks	2	3	–5	...	(b) Buildings	3	3	1	7
(b) Mortgages	...	...	...	...	(c) Plant and Machinery	1	...	1	2
(c) Debentures	–1	–2	–2	–5	(d) Others	...	...	...	...
(d) Due to trade	...	...	...	...	TOTAL	5	3	1	9
(e) Others	–1	5	–2	2	II. *Intentory*				
TOTAL	...	6	–9	–3	(a) Raw Materials	...	...	...	...
					(b) Finished Goods and work in progress.	–2	8	–10	–4
					(c) Stores	2	...	–1	1
					(d) Others	...	...	...	...
					TOTAL	...	8	–11	–3

(...*Contd.*)

ANNEXURE VIII—(*Contd.*)

III. Sources and uses of funds of 27 selected Public Ltd. Rubber Plantation Companies—1950-53

CONTROLLED BY INDIANS

(In lakhs of Rupees)

Sources of Funds	1951	1952	1953	Total
III. *Depreciation Reserves*	1	1	2	4
IV. *Taxation Reserves*	5	...	4	9
V. *Savings*				
(a) Capital Reserves	...	...	...	...
(b) General Reserves	1	14	1	16
(c) Development Reserves	1	–4	1	–2
(d) Other Reserves	6	–4	3	5
(e) Balance of Profit	...	–2	...	–2
TOTAL	8	4	5	17
VI. *E. P. T. Refunds*	...	...	...	...
VII. *Miscellaneous*†	–1	8	–1	6
GRAND TOTAL	13	19	1	33

Use of funds	1951	1952	1953	Total
III. *Landings*				
(a) Tax advances	...	...	...	...
(b) Book debts	1	1	...	2
(c) Advance against goods	–1	1	...	...
(d) Others	7	–2	–1	4
TOTAL	7	...	–1	6
IV. *Investments*				
(a) Government securities	...	...	2	2
(b) Semi-Government securities	...	...	...	...
(c) Industrial securities	...	...	...	...
(d) Miscellaneous non current assets*	...	...	...	...
TOTAL	...	...	2	2
V. *Increase in Monetary Resources*	1	8	10	19
GRAND TOTAL	13	19	1	33

†Change in Miscellaneous liabilities adjusted for changes in miscellaneous current assets and intangible assets.
*Mainly investments in subsidiary companies.
Source: Reserve Bank.

ANNEXURE IX

A. *Statement showing cost of production of rubber in various regions*

Region	For reported estates		Cost in Rs. per 100 lbs.								
	Acreage	Production (in lbs.)	Cultivation	Charges for collecting rubber	Charges for processing	General charges	Packing	Selling expenses	Total	Commission to managing agents	Total cost excluding commission to managing agents
1	2	3	4	5	6	7	8	9	10	11	12
						1950					
Madras	5,743	12,97,202	12.97	22.18	8.93	25.34	1.18	3.74	74.97	3.61	71.36
T. C. State	35,394	1,02,20,591	7.74	11.67	5.09	21.50	1.07	1.60	48.67	1.71	46.96
Coorg	110	20,187	0.56	21.77	9.77	7.98	0.78	4.73	45.59	...	45.59
Mysore	129	27,872	16.50	12.20	1.49	11.17	2.06	...	43.42	...	43.42
All India	41,376	1,15,65,852	8.32	12.86	5.52	21.88	1.15	1.84	51.57	1.92	49.65
						1951					
Madras	5,743	13,40,902	14.35	24.39	10.77	30.52	3.40	1.48	86.91	4.11	82.80
T. C. State	35,389	1,04,90,384	8.85	12.69	5.89	25.53	1.46	1.87	56.29	1.96	54.33
Coorg	110	26,822	0.69	20.51	7.85	7.23	1.18	3.90	40.76	...	40.76
Mysore	129	29,534	5.45	14.80	2.52	13.10	3.28	...	39.15	...	39.15
All India	41,371	1,18,87,642	9.44	14.03	6.44	26.05	1.65	2.06	59.67	2.24	57.43

(...*Contd.*)

ANNEXURE IX—(*Contd.*)

A. Statement showing cost of production of rubber in various regions

Region	For reported estates		Cost in Rs. per 100 lbs.								
	Acreage	Production (in lbs.)	Cultivation	Charges for collecting rubber	Charges for processing	General charges	Packing	Selling expenses	Total	Commission to managing agents	Total cost excluding commission to managing agents
1	2	3	4	5	6	7	8	9	10	11	12
						1952					
Madras	5,785	14,32,322	16.41	25.64	10.35	36.21	2.70	3.98	95.29	4.78	90.59
T. C. State	35,324	1,17,37,786	8.37	15.69	6.47	23.19	1.36	2.05	57.13	1.54	55.59
Coorg	110	25,826	...	25.33	8.23	8.48	1.46	3.00	46.50	...	46.50
Mysore	129	28,743	11.38	13.85	3.09	9.31	2.30	...	39.93	...	39.93
All-India	41,348	1,32,24,677	9.24	16.78	6.88	24.55	1.50	2.26	61.21	1.88	59.33
						1953					
Madras	5,751	15,05,358	16.26	25.46	9.83	37.82	1.41	3.38	94.16	4.52	89.64
T. C. State	35,305	1,17,56,675	12.97	22.29	9.29	28.45	1.38	2.97	77.35	1.68	75.67
Coorg	110	26,783	2.43	26.39	7.27	8.41	0.59	4.52	49.61	...	49.61
Mysore	129	26,134	6.56	15.77	1.26	15.85	3.02	...	42.46	...	42.46
All-India	41,295	1,33,14,950	13.31	22.64	9.33	29.45	1.40	3.00	79.13	2.00	77.13

Source:—Returns from estates

ANNEXURE IX—(*Contd.*)

B. Statement showing item-wise cost of production of rubber in various regions.

(In Rs. 100 per lbs.)

Planted acreage

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	5,743	5,743	5,785	5,751
T. C. State	35,394	35,389	35,324	35,305
Coorg	110	110	110	110
Mysore	129	129	129	129
All-India	41,376	41,371	41,348	41,295

Production (In lbs.)

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	1,297,202	1,340,902	1,432,322	1,505,358
T. C. State	10,220,591	10,490,384	11,737,786	11,756,675
Coorg	20,187	26,822	25,826	26,783
Mysore	27,872	29,534	28,743	26,134
All-India	11,565,852	11,887,642	13,224,677	13,314,950

A. 1. General field works

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	3.93	4.36	5.32	4.73
T. C. State	2.09	2.38	2.82	3.82
Coorg	0.56	0.69	...	0.99
Mysore	15.32	...	9.50	5.26
All-India	2.33	2.59	3.11	3.93

ANNEXURE IX—(*Contd.*)

A. 2. Filling in vacancies including cost of nursery.

(in Rs. 100 per lb.)

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	...	...	...	0.41
T. C. State	0.06	0.03	0.02	0.07
Coorg	...	...	...	0.45
Mysore	0.68	4.72	1.39	0.76
All-India	0.03	0.04	0.03	0.11

A. 3. Manuring

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	0.07	0.36	0.12	0.12
T. C. State	0.74	1.84	0.78	1.56
Coorg	...	...	...	0.99
Mysore	...	...	...	...
All-India	0.66	1.66	0.70	1.39

A. 4. Spraying and dusting

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	8.66	9.11	10.31	10.36
T. C. State	4.59	4.35	4.49	7.00
Coorg	...	...	...	...
Mysore	...	...	...	...
All-India	5.03	4.87	5.10	7.35

ANNEXURE IX—(*Contd.*)

A. 5. Other pest control measures

(In Rs. 100 per lb.)

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	0.31	0.52	0.67	0.64
T. C. State	0.26	0.25	0.26	0.52
Coorg	...	...	...	...
Mysore	0.50	0.73	0.49	0.54
All-India	0.26	0.28	0.30	0.53

Total cultivation

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	12.97	14.35	16.41	16.26
T. C. State	7.74	8.85	8.37	12.97
Coorg	0.56	0.69	...	2.43
Mysore	16.50	5.45	11.38	6.56
All-India	8.32	9.44	9.24	13.31

B. 6. Tapping and collection

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	21.44	23.42	24.58	24.36
T. C. State	11.26	12.25	15.18	21.56
Coorg	19.17	19.35	24.29	25.31
Mysore	10.91	13.75	12.32	14.89
All-India	12.41	13.53	16.21	21.87

ANNEXURE IX—(*Contd.*)

B. 7. Other sundry charges

(In Rs. 100 per lb.)

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	0.74	0.97	1.07	1.10
T. C. State	0.41	0.44	0.51	0.73
Coorg	2.60	1.16	1.04	1.08
Mysore	1.29	1.05	1.53	0.88
All-India	0.45	0.50	0.57	0.77

Total charges for collecting rubber

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	22.18	24.39	25.64	25.46
T. C. State	11.67	12.69	15.69	22.29
Coorg	21.77	20.51	25.33	26.39
Mysore	12.20	14.80	13.85	15.77
All-India	12.86	14.03	16.78	22.64

C. 8 (a) *Salaries and wages*

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	1.25	1.16	1.16	1.30
T. C. State	0.50	0.55	0.52	0.77
Coorg	...	...	...	...
Mysore	...	...	...	...
All-India	0.58	0.62	0.59	0.83

ANNEXURE IX—(*Contd.*)

C. 8 (b) Wages of factory ladoar

(In Rs. 100 per lb.)

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	3.42	3.95	4.17	4.05
T. C. State	1.76	2.12	2.65	3.99
Coorg	0.67	0.49	0.63	0.61
Mysore	0.94	0.63	1.43	0.76
All-India	1.95	2.32	2.81	3.99

C. 9. Coal and other fuel, power and lighting

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	1.33	1.34	1.17	0.99
T. C. State	0.84	0.96	1.08	1.33
Coorg	0.76	0.24	0.37	0.35
Mysore	0.32	0.13	0.25	0.13
All-India	0.89	1.00	1.07	1.29

C. 10. Maintenance of factory buildings, plant and machinery

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	1.00	1.82	1.58	1.23
T. C. State	1.22	1.25	1.32	2.02
Coorg	2.60	1.16	1.03	1.00
Mysore	0.23	1.76	1.41	0.37
All-India	1.19	1.32	1.35	1.92

ANNEXURE IX—(*Contd.*)

C. 11. General stores and local purchases

(In Rs. 100 per lb.)

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	1.80	2.41	2.13	2.15
T. C. State	0.63	0.80	0.74	0.86
Coorg	2.27	0.52	...	...
Mysore	...	...	...	...
All-India	0.76	0.97	0.89	1.00

C. 12. Other charges

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	0.14	0.09	0.14	0.10
T. C. State	0.14	0.21	0.16	0.32
Coorg	3.47	4.84	6.20	5.23
Mysore	...	...	...	...
All-India	0.15	0.21	0.17	0.30

Total charges for processing

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	8.93	10.77	10.35	9.83
T. C. State	5.09	5.89	6.47	9.29
Coorg	9.77	7.25	8.23	7.27
Mysore	1.49	2.52	3.09	1.26
All-India	5.52	6.44	6.88	9.33

ANNEXURE IX—(*Contd.*)

D. 13. Upkeeep of buildings

(In Rs. 100 per lb.)

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	2.24	2.49	3.21	2.97
T. C. State	1.93	2.10	2.42	2.96
Coorg	3.00	0.99	1.74	1.31
Mysore	...	...	...	...
All-India	1.95	2.13	2.49	2.94

D. 14. Depreciation

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	2.11	2.57	3.45	4.05
T. C. State	1.06	1.45	1.41	1.79
Coorg	...	...	...	...
Mysore	...	...	...	...
All-India	1.16	1.57	1.62	2.04

D. 15 (a) Recruiting expenses

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	0.08	0.10	0.08	0.10
T. C. State	0.24	0.27	0.25	0.36
Coorg	0.75	0.63	0.70	0.71
Mysore	7.10	5.85	1.01	7.28
All-India	0.24	0.27	0.23	0.35

ANNEXURE IX—(*Contd.*)

D. 15 (b) Medical benefits

(In Rs. 100 per lb.)

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	1.64	1.71	2.08	2.25
T. C. State	0.94	1.05	1.12	1.44
Coorg	0.36	1.05	1.05	0.73
Mysore	0.93	1.22	1.46	1.40
All-India	1.01	1.13	1.23	1.53

D. 15 (c) Other labour benefits

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	1.03	1.07	0.73	0.63
T. C. State	3.39	3.82	1.98	1.62
Coorg	...	...	...	...
Mysore	...	...	...	...
All-India	3.12	3.50	1.85	1.50

D. 16 (a) Bonus to staff

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	0.48	0.73	0.77	0.86
T. C. State	1.47	2.12	2.30	3.63
Coorg	...	...	...	...
Mysore	...	...	...	...
All-India	1.36	1.96	2.13	3.30

ANNEXURE IX—(*Contd.*)

D. 16 (b) Commission to managers and other senior staff

(In Rs. 100 per lb.)

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	0.73	0.88	0.90	0.74
T. C. State	0.28	0.48	0.31	0.40
Coorg	...	...	...	...
Mysore	...	...	...	...
All-India	0.33	0.55	0.37	0.44

D. 16 (c) Commission to Managing Director or Agents and agency allowance

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	2.88	3.24	3.89	3.81
T. C. State	1.43	1.48	1.23	1.28
Coorg	...	...	...	...
Mysore	...	...	...	...
All-India	1.59	1.60	1.51	1.56

D. 17. Bonus to labour

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	1.23	2.15	2.54	3.31
T. C. State	0.64	1.39	1.38	2.19
Coorg	...	1.40	0.82	0.81
Mysore	...	...	...	...
All-India	0.71	1.46	1.51	2.31

ANNEXURE IX—(*Contd.*)

D. 18 (a) Salaries and allowances to staff (Estate)

(In Rs. 100 per lb.)

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	8.47	9.10	10.24	11.33
T. C. State	6.12	6.38	6.07	7.88
Coorg	2.38	2.24	2.42	2.24
Mysore	2.37	4.75	5.60	6.73
All-India	6.37	6.67	6.43	8.26

D. 18 (b) Salaries and allowances to staff (Head office)

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	0.73	1.01	1.04	0.93
T. C. State	0.66	0.68	0.59	0.57
Coorg	...	...	...	...
Mysore	...	...	...	...
All-India	0.66	0.71	0.64	0.61

D. 19 (a) General and other office expenses (Estate)

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	2.99	4.36	5.21	5.38
T. C. State	2.38	3.36	3.10	2.75
Coorg	1.49	0.92	1.75	2.61
Mysore	...	...	...	...
All-India	2.45	3.46	3.32	3.02

ANNEXURE IX—(*Contd.*)

D. 19 (b) General and other office expenses (Head Office)

(In Rs. 100 per lb.)

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	0.73	1.10	2.07	1.47
T. C. State	0.96	0.95	1.03	1.60
Coorg	...	...	...	...
Mysore	0.77	1.28	1.24	0.44
All-India	0.93	0.96	1.22	1.50

Total general charges

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	25.34	30.52	36.21	37.82
T. C. State	21.50	25.53	23.19	28.45
Coorg	7.98	7.23	8.48	8.41
Mysore	11.17	13.10	9.31	15.85
All-India	21.88	26.05	24.55	29.45

E. 20. Cost of gunnies and other materials for packing

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	1.36	2.93	2.05	0.05
T. C. State	0.89	1.27	1.08	1.06
Coorg	0.72	1.14	1.41	0.55
Mysore	...	...	...	...
All-India	0.94	1.42	1.18	1.05

ANNEXURE IX—(*Contd.*)

E. 21. Labour for packing

(In Rs. 100 per lb.)

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	0.45	0.48	0.65	0.56
T. C. State	0.18	0.19	0.28	0.32
Coorg	0.06	0.04	0.05	0.04
Mysore	2.06	3.28	2.30	3.02
All-India	0.21	0.23	0.32	0.35

Total packing

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	1.81	3.40	2.70	1.41
T. C. State	1.07	1.46	1.36	1.38
Coorg	0.78	1.18	1.46	0.59
Mysore	2.06	3.28	2.30	3.02
All-India	1.15	1.65	1.50	1.40

F. 22. Freight and transport charges

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	1.21	0.87	1.35	1.33
T. C. State	0.72	0.84	1.02	1.40
Coorg	4.14	3.46	2.71	3.36
Mysore	...	...	...	...
All-India	0.78	0.84	1.06	1.40

ANNEXURE IX—(*Contd.*)

F. 23. Stock and transit insurance

(In Rs. 100 per lb.)

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	0.26	0.41	0.35	0.28
T. C. State	0.13	0.17	0.18	0.29
Coorg	...	...	...	...
Mysore	...	...	...	...
All-India	0.14	0.20	0.20	0.28

F. 24. Other forwarding and selling expenses

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	2.27	2.20	2.28	1.77
T. C. State	0.75	0.86	0.85	1.28
Coorg	0.59	0.44	0.29	1:16
Mysore	...	...	...	...
All-India	0.92	1.01	1.01	1.32

Total selling expenses

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	3.74	3.48	3.98	3.38
T. C. State	1.60	1.87	2.05	2.97
Coorg	4.73	3.90	3.00	4.52
Mysore	...	...	...	...
All-India	1.84	2.05	2.26	3.00

ANNEXURE IX—(*Contd.*)

Total cost production

(in Rs. 100 per lb.)

Region	1950	1951	1952	1953
1	2	3	4	5
Madras	74.97	86.92	95.30	94.15
T. C. State	48.67	56.29	57.13	77.35
Coorg	45.59	40.76	46.50	49.61
Mysore	43.42	39.15	39.93	42.46
All-India	51.57	59.66	61.21	79.13

Source:—Returns from estates.

ANNEXURE X

A. Statement showing cost of production of rubber according to type of management

Type of ownership/management	For reported estates		Cost per 100 lbs. in Rs.								
	Acreage	Production (in lbs.)	Cultivation	Charges for collecting rubber	Charges for processing	General Charges	Packing	Selling Expenses	Total	Commission to managing agents	Total cost excluding commission to managing agents.
1	2	3	4	5	6	7	8	9	10	11	12
					1950						
1. *Sterling companies* (Controlled by Secretaries/ Agents)	25,466	7,430,214	7.92	10.54	5.09	19.16	1.11	1.95	45.77	0.80	44.97
2. *Rupee Companies:*											
Non-Indian Managing Agents control											
Non-Indian.	543	253,646	12.14	11.25	14.37	50.88	4.90	0.83	94.37	5.30	89.07
Partly Indian and Partly Non-Indian	4,525	1,346,113	8.83	17.28	5.65	25.12	0.86	1.43	59.17	4.28	54.89
Indian Managing Agents control											
Indian	7,216	1,759,713	9.85	15.79	6.50	28.03	1.30	2.11	63.58	5.00	58.58
Outside Managing Agents control											
Public Ltd. Indian	361	79,089	3.92	25.76	5.27	24.67	0.20	0.60	60.42	4.65	55.77
Private Ltd. Indian	236	100,661	5.93	12.67	0.64	31.83	...	0.08	51.15	...	51.15
3. *Proprietary and Partnership Concerns*											
Indian	2,695	542,711	7.32	22.40	4.55	15.17	0.60	1.52	51.56	...	51.56
Non-Indian	334	48,705	5.61	20.88	4.86	20.40	0.32	0.17	52.25	...	52.25
All Groups	41,376	11,565,852	8.32	12.86	5.52	21.88	1.15	1.84	51.57	1.92	49.65

ANNEXURE X—(*Contd.*)

A. Statement showing cost of production of rubber according to types of management

Type of ownership/management	For reported estates		Cost per 100 lbs. in Rs.								
	Acreage	Production (in lbs.)	Culti-vation	Charges for coll-ecting rubber	Charges for pro-cessing	General Charges	Packing	Selling Expenses	Total	Commis-sion to manag-ing agents	Total cost ex-cluding com-mission to managing agents
1	2	3	4	5	6	7	8	9	10	11	12
					1951						
1. *Sterling Companies* Controlled by Secretaries/ Agents)	25,565	7,652,253	8.75	11.74	6.18	23.75	1.81	2.30	54.53	1.00	53.53
1. *Rupee companies:* *Non-Indian Managing Agents Control*											
Non-Indian	543	263,456	12.91	11.04	16.31	58.27	5.22	0.79	104.54	5.56	98.98
Partly Indian and Partly Non-Indian	4,443	1,398,080	12.17	17.49	5.75	29.06	0.88	1.58	66.93	5.26	61.67
Indian Managing Agents control Indian	7,176	1,846,782	10.15	17.75	7.13	30.64	1.64	1.92	69.23	5.00	64.23
Outside Managing Agents Control											
Public Ltd. Indian.	353	77,588	3.92	28.49	5.55	28.00	0.13	0.43	66.52	4.65	61.87
Private Ltd. Indian	252	98,457	6.16	21.97	2.49	33.69	0.31	0.33	64.96	...	64.96
3. *Proprietary and Partnership Concerns*											
Indian	2,705	503,452	9.68	22.97	5.28	16.42	0.88	1.56	56.79	...	56.79
Non-Indian	334	47,574	7.30	19.99	9.35	26.91	0.07	0.11	63.73	...	63.73
All Groups.	41,371	11,887,642	9.44	14.03	6.44	26.05	1.65	2.05	59.66	2.23	57.43

ANNEXURE X—(*Contd.*)

A. Statement showing cost of production of rubber according to type of management

Type of ownership/management	For reported estates		Cost per 100 lbs. in Rs.								
	Acreage	Production (in lbs.)	Cultivation	Charges for collecting rubber	Charges for processing	General charges	Packing	Selling expenses	Total	Commission to managing agents	Total cost excluding commission to managing agents
1	2	3	4	5	6	7	8	9	10	11	12
					1952						
1 *Sterling companies* (Controlled by Secretaries/ Agents)	25,569	8,562,634	8.51	13.70	6.44	22.78	1.60	2.38	55.41	0.96	54.45
2 *Rupee companies :* *Non-Indian Managing Agents control* Non-Indian	502	239,211	12.77	16.84	16.98	41.77	3.27	0.82	92.44	4.75	87.69
Partly Indian and Partly Non-Indian	4,460	1,364,098	12.05	22.70	6.79	30.17	1.18	1.90	74.79	4.86	69.93
Indian Managing Agents control Indian	7,129	2,193,027	10.10	20.66	7.61	27.10	1.40	2.40	69.27	3.77	65.50
Outside Managing Agents control Public Ltd.-Indian	353	84,624	3.57	40.63	10.51	30.12	0.14	0.82	85.79	5.13	80.66
Private Ltd.-Non-Indian	236	92,452	6.83	21.87	2.21	39.03	0.25	0.25	70.44	...	70.44
3 *Proprietary and Partnership concerns* Indian	2,705	580,375	8.99	27.73	5.93	16.34	0.95	2.12	62.06	...	62.06
Non-Indian	334	53,256	12.00	35.05	9.39	20.24	0.05	0.19	76.92	...	76.92
All-Groups	41,288	13,224,677	9.24	16.78	6.88	24.55	1.50	2.26	61.21	1.88	59.33

ANNEXURE X—(*Contd.*)

A. Statement showing cost of production of rubber according to type of management.

Type of ownership/management	For reported estates		Cost per 100 lbs. in Rs.								
	Acreage	Production (in lbs.)	Cultivation	Charges for collecting rubber	Charges for processing	General expenses	Packing	Selling expenses	Total	Commission to managing agents	Total cost excluding commission to managing agents.
1	2	3	4	5	6	7	8	9	10	11	12
					1953						
1 *Sterling companies* (Controlled by Secretaries/ Agents)	25,439	8,740,203	15.19	21.77	10.20	29.45	1.56	3.49	81.66	0.95	80.71
2 *Rupee companies :*											
Non-Indian Managing Agents control											
Non-Indian	502	240,177	9.64	16.93	19.04	52.08	3.86	0.88	102.44	5.66	96.78
Partly Indian and Partly Non-Indian	4,491	1,317,982	9.14	24.89	4.93	31.78	1.00	1.91	73.65	5.87	67.78
Indian Managing Agents control											
Indian	7,164	2,143,834	10.10	22.51	6.77	29.77	0.95	2.51	72.61	4.17	68.44
Outside Managing Agents control											
Public Ltd.-Indian	353	78,823	8.28	39.74	11.77	33.85	0.08	0.60	94.32	5.06	89.26
Private Ltd.-Non-Indian	252	75,693	2.12	23.47	2.33	46.87	0.19	0.31	75.31	...	75.31
3 *Proprietary and Partnership concerns*											
Indian	2,760	654,142	10.29	28.44	6.01	13.87	0.71	2.14	61.46	...	61.46
Non-Indian	334	64,100	13.25	40.88	7.82	17.16	0.01	0.26	79.37	...	79.37
All-Groups	41,295	13,314,950	13.31	22.64	9.33	29.45	1.40	3.00	79.13	2.00	77.13

Source :—Returns from estates

ANNEXURE X—(*Contd.*)

B. Statement showing item-wise cost of production of rubber according to types of managements planted acreage

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling Companies				
Controlled by Secretaries/agents	25,16[illegible]	25,565	25,569	25,439
Non-Indian Managing Agents control				
Non-Indian	543	543	502	502
Partly Indian and Partly Non-Indian	5,525	4,443	4,150	4,491
Indian Managing Agents control				
Indian	7,216	7,176	7,129	7,164
Outside Managing Agents control				
Public Ltd.-Indian	361	553	353	353
Private Ltd.-Indian	236	252	235	252
Proprietary and Partnership concerns				
Indian	2,695	2,705	2,705	2,760
Non-Indian	334	334	331	334
All Groups	41,376	41,371	41,288	41,295

Production (In lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling Companies				
(Controlled by Secretaries/Agents)	7,430,214	7,652,258	8,562,634	8,740,203
Non-Indian Managing Agents control				
Non-Indian	258,616	263,456	289,211	240,177
Partly Indian and Partly Non-Indian	1,346,113	1,398,080	1,364,096	1,317,982
Indian Managing Agents control				
Indian	1,759,713	1,846,782	2,198,027	2,143,830
Outside Managing Agents control				
Public Ltd.-Indian	79,089	77,588	81,624	78,823
Private Ltd.-Indian	100,641	98,457	92,452	75,693
Proprietary and Partnership concerns				
Indian	512,711	593,152	580,375	654,142
Non-Indian	48,705	47,574	53,256	64,100
All Groups	11,565,852	11,887,642	13,224,677	13,314,900

ANNEXURE X—(*Contd.*)

A. 1. General field Works

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling Companies (Controlled by Secretaries/agents)	1.92	2.01	2.74	4.17
Rupee Companies:				
Non-Indian Managing Agents control Non-Indian	2.33	0.95	3.44	2.49
Partly Indian and Partly Non-Indian	1.79	3.49	3.49	2.24
Indian Managing Agents control Indian	3.49	3.72	3.40	3.23
Outside Managing Agents control Public Ltd.-Indian	3.72	3.72	3.30	8.08
Private Ltd.-Indian	1.57	1.64	1.00	2.12
Proprietary and Partnership concerns Indian	5.24	5.62	5.82	5.84
Non-Indian	3.91	3.86	9.99	12.06
All Groups	2.33	2.59	3.11	3.93

A. 2. Filling in vacancies

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	
Sterling Companies (Controlled by Secretaries/Agents)	...	...	...	0.15
Rupee Companies:				
Non-Indian Managing Agents control Non-Indian	...	0.02	0.01	0.11
Partly Indian and Partly Non-Indian	...	...	...	...
Indian Managing Agents control Indian	0.29	0.22	0.09	0.03
Outside Managing Agents control Public Ltd.-Indian	...	...	...	...
Private Ltd.-Indian	...	...	...	...
Proprietary and Partnership concerns Indian	0.04	0.08	0.04	0.03
Non-Indian	...	...	...	...
All Groups	0.04	0.04	0.03	0.11

ANNEXURE X—(*Contd.*)

A. 3. Manuring

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies				
Controlled by Secretaries/Agents	0.83	2.21	0.64	1.92
Rupee companies:				
Non-Indian Managing Agents control				
Non-Indian	...	...	...	...
Partly Indian and Partly Non-Indian	0.04	0.51	0.31	0.02
Indian Managing Agents Control				
Indian	0.83	1.03	1.51	0.58
Outside Managing Agents control				
Public Limited-Indian	...	...	...	...
Private Ltd.—Indian	...	...	...	...
Proprietary & Partnership concerns				
Indian	...	0.59	...	0.72
Non-Indian	...	...	...	...
All Groups	0.66	1.66	0.70	1.39

A. 4. Spraying and dusting

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies				
Controlled by Secretaries/Agents	4.89	4.27	4.82	8.31
Rupee companies:				
Non-Indian Managing Agents control				
Non-Indian	9.70	11.69	9.11	6.81
Partly Indian and Partly Non-Indian	6.56	7.68	7.58	6.19
Indian Managing Agents control				
Indian	5.03	4.97	4.97	6.13
Outside Managing Agents control				
Public Ltd.-Indian	...	...	...	...
Private Ltd.—Indian	4.36	4.52	5.83	...
Proprietary & Partnership concerns				
Indian	1.98	3.28	3.02	3.62
Non-Indian	1.52	2.94	1.44	...
All Groups	5.03	4.87	5.10	7.35

ANNEXURE X—(*Contd.*)

A. 5. Other pest control measures

(In Rs. per 100 lbs.)

Type of ownership/Management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies				
Controlled by Secretaries/Agents	0.28	0.26	0.31	0.64
Rupee companies:				
Non-Indian Managing Agents control				
Non-Indian	0.11	0.22	0.21	0.23
Partly Indian and Partly Non-Indian	0.44	0.49	0.67	0.69
Indian Managing Agents control				
Indian	0.16	0.21	0.13	0.13
Outside Managing Agents control				
Public Ltd.—Indian	0.20	0.20	0.27	0.20
Private Ltd.—Indian	...	...	...	...
Proprietary & Partnership concerns				
Indian	0.06	0.11	0.11	0.03
Non-Indian	0.18	0.50	0.57	1.19
All Groups	0.26	0.23	0.30	0.53

Total cultivation

Type of ownership/management	1950	1951	1952	1953
	2	3	4	
Sterling companies				
Controlled by Secretaries/Agents	7.92	8.75	8.51	15.19
Rupee companies:				
Non-Indian Managing Agents control				
Non-Indian	12.14	12.91	12.77	9.64
Partly Indian and Partly Non-Indian	8.83	12.17	12.05	9.14
Indian Managing Agents control				
Indian	9.85	10.15	10.10	10.10
Outside Managing Agents control				
Public Ltd.—Indian	3.92	3.92	3.57	8.28
Private Ltd.—Indian	5.93	6.16	6.83	2.12
Proprietary and Partnership concerns				
Indian	7.32	9.63	8.99	10.29
Non-Indian	5.61	7.30	12.00	13.25
All Groups	8.32	9.44	9.24	13.31

ANNEXURE X—*(Contd.)*

B. 6. Tapping and collection

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies				
Controlled by Secretaries/Agents	10.10	11.26	13.16	20.92
Rupee companies :				
Non-Indian Managing Agents control				
Non-Indian	10.98	10.32	15.56	16.20
Partly Indian and Partly Non-Indian	16.74	16.99	22.11	23.89
Indian Managing Agents control				
Indian	13.37	17.13	20.08	22.07
Outside Managing Agents control				
Public Ltd. Indian	25.54	28.25	40.12	39.59
Private Ltd. Indian	12.46	21.56	21.69	23.15
Proprietary and Partnership concerns				
Indian	21.90	22.51	27.23	27.84
Non-Indian	19.67	19.67	32.49	40.31
All Groups.	12.41	13.53	16.21	21.87

B. 7. Other sundry charges

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies				
Controlled by Secretaries/Agents	0.44	0.48	0.54	0.85
Rupees companies :				
Non-Indian Managing Agents contro				
Non-Indian	0.27	0.72	1.28	0.73
Partly Indian and Partly Non-Indian	0.54	0.50	0.59	1.00
Indian Managing Agents control				
Indian	0.42	0.62	0.58	0.44
Outside Managing Agents control				
Public Ltd. Indian	0.22	0.24	0.51	0.15
Private Ltd. Indian	0.21	0.41	0.18	0.32
Proprietary and Partnership concerns				
Indian	0.50	0.43	0.50	0.60
Non-Indian	1.21	0.32	2.56	0.57
All Groups.	0.45	0.50	0.57	0.77

ANNEXURE X—*(Contd.)*

Total charges for collecting rubber

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies Controlled by Secretaries/Agents	10.54	11.74	13.70	21.77
Rupee companies : *Non-Indian Managing Agents control* Non-Indian	11.25	11.04	16.84	16.93
Partly Indian and Partly Non-Indian	17.28	17.49	22.70	24.89
Indian Managing Agents control Indian	15.79	17.75	20.66	22.51
Outside Managing Agents control Public Ltd. Indian	25.76	28.49	40.63	39.74
Private Ltd. Indian	12.67	21.97	21.87	23.47
Proprietary and Partnership concerns Indian	22.40	22.97	27.73	28.44
Non-Indian	20.88	19.99	35.05	40.88
All Groups.	12.86	14.03	16.78	22.64

C. 8. Salaries and wages

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies Controlled by Secretaries/Agents	0.49	0.54	0.46	0.78
Rupee companies : *Non-Indian Managing Agents control* Non-Indian	0.84	1.06	0.98	0.91
Partly Indian and Partly Non-Indian	0.96	0.99	1.11	1.33
Indian Managing Agents control Indian	0.74	0.75	0.75	0.79
Outside Managing Agents control Public Ltd. Indian	0.83	0.89	2.14	1.88
Private Ltd. Indian	...	...	...	...
Proprietary and Partnership concerns Indian	0.38	0.27	0.25	0.64
Non-Indian	...	...	...	...
All Groups	0.59	0.64	0.61	0.86

ANNEXURE X—(*Contd.*)

C. 8 (a) *Wages of factory labour*

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
Sterling Companies Controlled by Secretaries/Agents	1.81	2.32	2.76	4.46
Rupee Companies: Non-Indian Managing Agents control Non-Indian	5.49	4.69	6.69	8.74
Partly Indian and Partly Non-Indian	1.66	1.71	2.43	2.85
Indian Managing Agents control Indian	2.44	2.67	2.75	2.59
Outside Managing Agents control Public Ltd.—Indian	2.28	2.81	4.81	7.09
Private Ltd.-Indian	0.43	1.41	1.36	1.65
Proprietary & Partnership concerns Indian	1.43	1.63	2.73	2.72
Non-Indian	1.39	1.73	3.45	3.90
All Groups	1.94	2.30	2.79	3.96

C. 9. *Coal and other fuel, power and lighting*

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling Companies Controlled by Secretaries/Agents	0.71	0.81	0.83	1.31
Rupee Companies: Non-Indian Managing Agents control Non-Indian	3.76	4.82	4.44	4.03
Partly Indian and Partly Non-Indian	1.18	1.22	1.34	1.28
Indian Managing Agents control Indian	1.06	1.05	1.16	0.96
Outside Managing Agents control Public Ltd.—Indian	0.75	0.68	1.92	0.82
Private Ltd.-Indian	0.02	0.92	0.70	0.64
Proprietary & Partnership concerns Indian	1.09	1.18	1.23	1.23
Non-Indian	0.52	1.44	1.62	0.83
All Groups	0.90	1.00	1.07	1.29

ANNEXURE X—(*Contd.*)

C. 10. Maintenance of factory buildings plant and machinery

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling Companies Controlled by Secretaries/Agents	1.39	1.49	1.55	2.41
Rupee Companies: Non-Indian Managing Agents control Non-Indian	3.08	3.17	2.58	2.32
Partly Indian & Partly Non-Indian	0.99	0.96	0.92	1.37
Indian Managing Agents control Indian	0.50	0.86	1.01	0.90
Outside Managing Agents control Public Ltd. Indian	0.58	0.16	0.23	0.76
Private Ltd.-Indian	0.19	0.16	0.16	0.04
Proprietary and Partnership concerns Indian	0.57	0.87	0.48	0.28
Non-Indian	...	1.49	0.82	0.16
All Groups	1.18	1.32	1.35	1.92

C. 11. General stores and local purchases

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling Companies Controlled by Secretaries/Agents	0.55	0.80	0.62	0.86
Rupee Companies: Non-Indian Managing Agents control Non-Indian	1.00	2.38	1.97	2.74
Partly Indian & Partly Non-Indian	0.86	0.87	0.99	1.07
Indian Managing Agents control Indian	1.51	1.55	1.76	1.39
Outside Managing Agents control Public Ltd. Indian	0.69	0.84	1.23	0.84
Private Ltd.-Indian	...	...	...	...
Proprietary and Partnership concerns Indian	0.83	0.88	0.83	0.81
Non-Indian	2.44	4.28	2.68	1.81
All Groups	0.76	0.98	0.89	1.00

ANNEXURE X—(*Contd.*)

C. 12. Other charges

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies (Controlled by Secretaries/Agents)	0.14	0.22	0.17	0.38
Rupee companies: *Non-Indian Managing Agents control* Non-Indian	0.20	0.19	0.32	0.30
Partly Indian & Partly Non-Indian	...	...	...	0.03
Indian Managing Agents control Indian	0.25	0.25	0.18	0.14
Outside Managing Agents control Public Ltd.—Indian	0.14	0.17	0.18	0.41
Private Ltd.—Indian	...	...	...	...
Proprietary and Partnership concerns Indian	0.25	0.45	0.41	0.33
Non-Indian	0.51	0.41	0.82	1.12
All-Groups	1.15	0.20	0.17	0.30

Total charges for processing

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies (Controlled by Secretaries/Agents)	5.09	6.18	6.44	10.20
Rupee companies: *Non-Indian Managing Agents control* Non-Indian	14.37	16.31	16.98	19.04
Partly Indian & Partly Non-Indian	5.65	5.75	6.79	4.93
Indian Managing Agents control Indian	6.50	7.13	7.61	6.77
Outside Managing Agents control Public Ltd.—Indian	5.27	5.55	10.51	11.77
Private Ltd.—Indian	0.64	2.49	2.22	2.33
Proprietary and Partnership concerns Indian	4.55	5.28	5.93	6.01
Non-Indian	4.86	9.35	9.39	7.82
All-Groups	5.52	6.44	6.88	9.33

ANNEXURE X—(*Contd.*)

D. 13. Upkeep of buildings

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies (Controlled by Secretaries/Agents)	1.79	1.79	2.26	2.76
Rupee companies:				
Non-Indian Managing Agents control Non-Indian	3.04	5.00	3.78	5.48
Partly Indian & Partly Non-Indian	2.34	2.70	3.75	3.45
Indian Managing Agents control Indian	2.01	2.94	2.60	3.52
Outside Managing Agents control Public Ltd.—Indian	0.73	0.90	1.53	2.09
Private Ltd.—Indian	2.99	2.61	3.96	6.99
Proprietary & Partnership concerns Indian	2.68	1.67	0.02	1.43
Non-Indian	0.01	0.05	0.98	0.03
All-Groups	1.96	2.13	2.49	2.94

D. 14. Depreciation

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies (Controlled by Secretaries/Agents)	0.62	1.22	1.29	1.86
Rupee companies:				
Non-Indian Managing Agents control Non-Indian	8.08	7.21	7.68	8.45
Partly Indian & Partly Non-Indian	2.42	...	2.76	3.31
Indian Managing Agents control Indian	1.59	1.74	1.59	1.62
Outside Managing Agents control Public Ltd.—Indian	1.02	1.15	1.04	1.22
Private Ltd.—Indian	6.01	5.38	5.45	6.49
Proprietary & Partnership concerns Indian	0.29	0.45	0.37	0.56
Non-Indian	0.92	...	0.80	...
All-Groups	1.17	1.57	1.62	2.05

ANNEXURE X—(*Contd.*)

D. 15. Recruiting expenses

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies				
Controlled by Secretaries/Agents	0.22	0.24	0.22	0.29
Rupee companies:				
Non-Indian Managing Agents control				
Non-Indian	0.39	0.88	0.51	1.23
Partly Indian & Partly Non-Indian	0.27	0.28	0.27	0.55
Indian Managing Agents control				
Indian	0.28	0.25	0.17	0.39
Outside Managing Agents control				
Public Limited—Indian	...	...	...	...
Private Limited—Indian	0.20	1.50	1.84	1.06
Proprietary & Partnership concerns				
Indian	0.25	0.21	0.19	0.20
Non-Indian	...	...	...	...
All Groups	0.24	0.27	0.23	0.34

D. 15 (a) Medical benefits

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies				
Controlled by Secretaries/Agents	.83	0.96	1.05	1.46
Rupee companies:				
Non-Indian Managing Agents control				
Non-Indian	2.09	2.36	2.38	3.53
Partly Indian & Partly Non-Indian	1.19	1.20	1.61	1.78
Indian Managing Agents control				
Indian	1.65	1.69	1.62	1.57
Outside Managing Agents control				
Public Limited—Indian	...	...	0.13	0.43
Private Limited—Indian	0.33	0.67	0.83	1.17
Proprietary & Partnership concerns				
Indian	0.77	1.11	1.23	1.37
Non-Indian	0.91	0.40	0.79	1.50
All Groups	1.01	1.13	1.23	1.53

ANNEXURE X—(*Contd.*)

D. 15 (b) Other labour benefits

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies				
Controlled by Secretaries/Agents	1.98	2.28	1.29	1.48
Rupee companies:				
Non-Indian Managing Agents control				
Non-Indian	1.21	1.22	3.00	3.63
Partly Indian & Partly Non-Indian	5.21	5.33	3.29	1.91
Indian Managing Agents control				
Indian	2.36	2.57	2.01	1.37
Outside Managing Agents control				
Public Limited—Indian	...	...	...	...
Private Limited—Indian	6.66	3.60	3.90	3.32
Proprietary & Partnership concerns				
Indian	2.84	3.02	2.51	0.37
Non-Indian	...	...	...	...
All Groups	2.46	2.68	1.71	1.48

D. 16. Bonus to staff

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies				
Controlled by Secretaries/Agents	1.82	2.58	2.88	4.58
Rupee companies:				
Non-Indian Managing Agents control				
Non-Indian	1.53	1.95	2.14	2.80
Partly Indian & Partly Non-Indian	0.40	0.58	0.52	0.79
Indian Managing Agents control				
Indian	0.49	0.90	0.68	0.79
Outside Managing Agents control				
Public Limited—Indian	0.09	...	0.61	...
Private Limited—Indian	0.70	0.76	1.41	1.24
Proprietary & Partnership concerns				
Indian	0.44	0.52	0.52	0.41
Non-Indian	0.92	2.68	2.88	2.34
All Groups	1.36	1.97	2.13	3.30

ANNEXURE X—(*Contd.*)

D. 16 (a) Commission to Managers and other senior staff

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling Companies				
Controlled by Secretaries/Agents	0.35	0.52	0.38	0.41
Rupee Companies:				
Non-Indian Managing Agents control				
Non-Indian	...	...	...	...
Partly Indian & Partly Non-Indian	0.94	1.65	1.22	1.70
Indian Managing Agents control				
Indian	...	...	...	...
Outside Managing Agents control				
Public Ltd. Indian	...	...	...	...
Private Ltd.-Indian	...	...	...	...
Proprietary & Partnership concerns				
Indian	...	...	...	...
Non-Indian	...	...	...	...
All Groups	0.34	0.56	0.37	0.44

D. 16. (b) Commission to Managing Agents or Directors or Agency Allowance

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling Companies				
Controlled by Secretaries/Agents	0.45	0.48	0.58	0.54
Rupee Companies:				
Non-Indian Managing Agents control				
Non-Indian	5.30	5.56	4.75	5.66
Partly Indian & Partly Non-Indian	3.34	4.32	3.64	4.10
Indian Managing Agents control				
Indian	5.00	4.47	3.77	4.17
Outside Managing Agents control				
Public Limited Indian	4.65	5.61	5.13	5.06
Private Ltd. Indian	...	...	...	...
Proprietary & Partnership concerns				
Indian	...	...	...	...
Non-Indian	...	...	...	...
All Groups	1.58	1.67	1.51	1.56

ANNEXURE X—(*Contd.*)

D. 17. Bonus to labour

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling Companies				
Controlled by Secretaries/Agents	0.63	1.52	1.41	2.41
Rupee Companies:				
Non-Indian Managing Agents control				
Non-Indian	0.66	2.53	1.66	2.21
Partly Indian & Partly Non-Indian	0.89	1.43	1.96	1.91
Indian Managing Agents control				
Indian	0.75	1.05	1.47	2.27
Outside Managing Agents control				
Public Ltd.—Indian	0.77	1.46	2.45	1.94
Private Ltd.—Indian	0.98	2.17	1.95	2.13
Proprietary and Partnership concerns				
Indian	0.94	1.59	1.57	2.00
Non-Indian	1.87	2.16	2.24	2.72
All Groups	0.71	1.45	1.49	2.31

D. 18. Salaries and allowances to staff (Estate)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling Companies				
Controlled by Secretaries/Agents	6.29	6.35	6.27	8.46
Rupee Companies:				
Non-Indian Managing Agents control				
Non-Indian	4.97	5.93	7.84	10.79
Partly Indian & Partly Non-Indian	5.84	6.38	7.05	8.62
Indian Managing Agents control				
Indian	7.28	8.04	6.83	7.56
Outside Managing Agents control				
Public Ltd.—Indian	8.12	8.32	8.10	9.44
Private Ltd.—Indian	7.50	7.96	11.90	14.21
Proprietary and Partnership concerns				
Indian	5.13	5.99	5.46	5.19
Non-Indian	...	...	...	...
All Groups	6.36	6.67	6.45	8.26

ANNEXURE X—(*Contd.*)

D. 18 (a) Salaries and allowances to staff (Head office)

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies (Controlled by Secretaries/Agents)	...	...	0.03	...
Rupee companies *Non-Indian Managing Agents Control* Non-Indian	6.90	6.29	3.07	3.24
Partly Indian and Partly Non-Indian	0.72	0.99	1.32	1.03
Indian Managing Agents control Indian	2.69	2.71	2.31	2.63
Outside Managing Agents control Public Ltd.—Indian	...	...	...	...
Private Ltd.—Indian	1.25	3.13	3.27	4.10
Proprietary and Partnership concerns Indian	0.11	0.12	0.10	0.09
Non-Indian.	...	...	...	...
All-Graups	0.66	0.71	0.64	0.61

D. 19. General and other office expenses (Estate)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies (Controlled by Secretaries/Agents)	2.81	4.30	4.05	3.53
Rupee companies *Non-Indian Managing Agents control* Non- Indian.	1.03	1.22	1.29	1.42
Partly Indian and Partly Non-Indian	1.37	1.30	1.64	2.33
Indian Managing Agents Control Indian	1.93	2.25	1.88	1.52
Outside Managing Agents control Public Ltd.—Indian	9.29	10.56	11.13	13.67
Private Ltd.—Indian	1.46	1.56	1.79	1.83
Proprietary & Partnership concerns Indian.	1.71	1.73	2.36	2.24
Non-Indian	1.32	1.72	1.34	1.28
All-Groups	2.44	3.46	3.32	3.02

ANNEXURE X—(*Contd.*)

D. 19. (a) General and other office expenses (Head office)

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies (Controlled by Secretaries/Agents)	0.75	0.72	0.90	1.67
Rupee companies				
Non- Indian Managing Agents control				
Non-Indian	4.12	4.46	2.83	2.55
Partly Indian and Partly Non-Indian	0.18	0.47	1.14	0.30
Indian Managing Agents control				
Indian	2.00	2.03	2.17	2.36
Outside Managing Agents control				
Public Ltd.—Indian	...	...	...	...
Private Ltd.—Indian	3.75	4.35	2.73	4.33
Proprietary and Partnership concerns				
Indian	0.01	0.01	0.01	0.01
Non-Indian	...	...	...	...
All-Groups	0.93	0.96	1.22	1.58

Total general charges

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies (Controlled by Secretaries/Agents)	19.16	23.75	22.78	29.45
Rupee companies				
Non-Indian Managing Agents control				
Non-Indian	50.88	58.27	41.77	52.08
Partly Indian and Partly Non-Indian	25.12	29.06	30.17	31.78
Indian Managing Agents control				
Indian	28.03	30.64	27.10	29.77
Outside Managing Agents control				
Public Ltd.—Indian	24.67	28.00	30.12	33.85
Private Ltd.—Indian	31.83	33.69	39.03	46.87
Proprietary and Partnership concerns				
Indian	15.17	16.42	16.34	13.87
Non-Indian	20.40	26.91	20.24	17.16
All-Groups	21.88	26.05	24.55	29.45

ANNEXURE X—(*Contd.*)

E. 20. Cost of gunnies and other materials for packing

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies				
Controlled by Secretaries/Agents	0.92	1.61	1.30	1.22
Rupee companies:				
Non-Indian Managing Agents control				
Non-Indian	4.43	4.91	2.68	3.20
Partly Indian & Partly Non-Indian	0.58	0.57	0.63	0.43
Indian Managing Agents control				
Indian	1.05	1.34	1.15	0.67
Outside Managing Agents control				
Public Ltd.—Indian	...	...	...	...
Private Ltd.—Indian	...	0.31	0.25	0.19
Proprietary & Partnership concerns				
Indian	0.46	0.69	0.71	0.44
Non-Indian	...	...	...	...
All Groups	0.93	1.42	1.18	1.05

E. 21. Labour for packing

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies				
Controlled by Secretaries/Agents	0.19	0.20	0.30	0.34
Rupee companies:				
Non-Indian managing Agents control				
Non-Indian	0.47	0.31	0.59	0.66
Partly Indian & Partly Non-Indian	0.28	0.31	0.55	0.57
Indian Managing Agents control				
Indian	0.25	0.30	0.25	0.28
Outside Managing Agents control				
Public Ltd.—Indian	0.20	0.13	0.14	0.08
Private Ltd.—Indian	...	...	...	...
Proprietary and Partnership concerns				
Indian	0.14	0.19	0.24	0.27
Non-Indian	0.32	0.07	0.05	0.01
All Groups	0.22	0.23	0.32	0.35

ANNEXURE X—(*Contd.*)

Total charges for packing

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies				
Controlled by Secretaries/Agents	1.11	1.81	1.60	1.56
Rupee companies:				
Non-Indian Managing Agents control				
Non-Indian	4.90	5.22	3.27	3.86
Partly Indian & Partly Non-Indian	0.86	0.88	1.18	1.00
Indian Managing Agents control				
Indian	1.30	1.64	1.40	0.95
Outside Managing Agents control				
Public Ltd.—Indian	0.20	0.13	0.14	0.08
Private Ltd.—Indian	...	0.31	0.25	0.19
Proprietary and Partnership concerns				
Indian	0.60	0.88	0.95	0.71
Non-Indian	0.32	0.07	0.05	0.01
All Groups	1.15	1.65	1.50	1.40

F. 22. Freight and transport charges

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies				
Controlled by Secretaries/Agents	0.67	0.78	0.89	1.43
Rupee companies:				
Non-Indian Managing Agents control				
Non-Indian	0.83	0.79	0.82	0.88
Partly Indian & Partly Non-Indian	0.78	0.80	1.10	1.08
Indian Managing Agents control				
Indian	1.15	1.06	1.50	1.42
Outside Managing Agents control				
Public Ltd.—Indian	0.60	0.43	0.82	0.60
Private Ltd.—Indian	0.075	0.33	0.25	0.31
Proprietary and Partnership concerns				
Indian	1.23	1.49	2.07	2.04
Non-Indian	0.17	0.11	0.19	0.26
All Groups	0.78	0.84	1.03	1.39

ANNEXURE X—(*Contd.*)

F. 23. Stock and transit insurance

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies Controlled by Secretaries/Agents	0.16	0.22	0.22	0.36
Rupee companies: *Non-Indian Managing Agents control* Non-Indian	...	...	...	...
Partly Indian & Partly Non-Indian	0.23	0.41	0.41	0.44
Indian Managing Agents control Indian	0.03	0.04	0.04	0.02
Outside Managing Agents control Public Ltd. Indian	...	...	...	...
Private Ltd. Indian	...	...	...	...
Proprietary and Partnership concerns Indian	0.06	0.01	...	...
Non-Indian	...	...	...	...
All Groups	0.14	0.19	0.19	0.28

F. 24. Other forwarding and selling expenses

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies Controlled by Secretaries/Agents	1.12	1.30	1.27	1.70
Rupee companies: *Non-Indian Managing Agents control* Non-Indian	...	...	...	...
Partly Indian & Partly Non-Indian	0.42	0.37	0.39	0.39
Indian Managing Agents control Indian	0.93	0.82	0.86	1.07
Outside Managing Agents control Public Ltd. Indian	...	...	...	...
Private Ltd. Indian	...	...	...	...
Proprietary and Partnership concerns Indian.	0.23	0.06	0.05	0.10
Non-Indian	...	...	...	...
All Groups	0.92	1.02	1.02	1.33

ANNEXURE X—(*Contd.*)

Total selling expenses

(In Rs. per 100 lbs.)

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies				
Controlled by Secretaries/Agents	1.95	2.30	2.38	3.49
Rupee companies:				
Non-Indian Managing Agents control				
Non-Indian	0.89	0.79	0.82	0.88
Partly Indian & Partly Non-Indian	1.43	1.58	1.90	1.91
Indian Managing Agents control				
Indian	2.11	1.92	2.40	2.51
Outside Managing Agents control				
Public Ltd. Indian	0.60	0.43	0.82	0.60
Private Ltd.—Indian	0.075	0.33	0.25	0.31
Proprietary and Partnership concerns				
Indian	1.52	1.56	2.12	2.14
Non-Indian	0.17	0.11	0.19	0.26
All Groups	1.84	2.05	2.26	3.00

Total cost of production

Type of ownership/management	1950	1951	1952	1953
1	2	3	4	5
Sterling companies				
Controlled by Secretaries/Agents	45.77	54.53	55.41	81.66
Rupee companies:				
Non-Indian Managing Agents control				
Non-Indian	94.37	104.54	92.44	102.44
Partly Indian & Partly Non-Indian	59.17	66.93	74.79	73.65
Indian Managing Agents control				
Indian	63.58	69.23	69.27	72.61
Outside Managing Agents control				
Public Ltd.—Indian	60.42	66.52	85.79	94.32
Private Ltd.—Indian	51.16	64.96	70.44	75.31
Proprietary and Partnership concerns				
Indian	51.56	56.79	62.06	61.46
Non-Indian	52.25	63.73	76.92	79.37
All Groups	51.57	59.66	61.21	79.13

Source:—Returns from estates.

ANNEXURE XI

Statement showing proportion of various heads of cost to total average cost

(Region-wise)

(In Percentages)

Region	Cultivation	Gathering	Processing	General charges	Packing	Selling expenses	Total (Average cost excluding commission to managing agents)
1	2	3	4	5	6	7	8
				1950			
Madras	18.17	31.08	12.51	30.45	2.54	5.25	100
T. C. State	16.18	24.85	10.84	42.14	2.28	3.41	100
Coorg	1.23	47.75	21.43	17.50	1.71	10.33	100
Mysore	33.00	28.10	3.43	25.73	4.74	...	100
All-India	16.76	25.90	11.12	40.20	2.32	3.70	100
				1951			
Madras	17.33	29.46	13.01	31.90	4.10	4.20	100
T. C State	16.29	23.36	10.84	43.33	2.69	3.44	100
Coorg	1.60	50.32	17.79	17.74	2.90	9.56	100
Mysore	13.92	37.80	6.44	33.46	8.38	...	100
All-India	16.44	24.43	11.21	41.46	2.88	3.58	100

ANNEXURE XI—(*Contd.*)

Statement showing proportion of various heads of cost to total average cost

(Region-wise)

(In Percentages)

Region	Cultivation	Gathering	Processing	General charges	Packing	Selling expens s	Total (Average cost excluding commission to managing agents)
1	2	3	4	5	6	7	8
				1952			
Madras	18.13	28.32	11.45	34.71	2.98	4.41	100
T. C. State	15.06	28.22	11.64	38.95	2.45	3.63	100
Coorg	...	54.47	17.70	18.24	3.14	6.45	100
Mysore	23.50	34.69	7.74	23.31	5.76	...	100
All-India	15.57	28.28	11.60	38.21	2.53	3.81	100
				1953			
Madras	18.14	28.40	10.97	37.15	1.57	3.77	100
T. C. State	17.14	29.46	12.28	35.38	1.82	3.92	100
Coorg	4.90	53.19	14.65	16.96	1.19	9.11	100
Mysore	15.45	37.14	2.97	37.33	7.11	...	100
All-India	17.26	29.35	12.10	35.58	1.82	3.89	100

Source :—Returns from estates

ANNEXURE XII

Statement showing cost of production of rubber in the case of small holdings

Items	Below 25 acres	Between 25 and 49 acres.	Between 50 and 100 acres.	Average for the three groups.
1	2	3	4	5
Planted acreage	168.31	67	162	397.31
Crop. (In lbs.)	32,408	10,500	16,350	59.258
No. of returns analysed	21	2	3	26
Cost in Rs. per 100 lbs.				
General field works	5.39	5.71	12.45	7.39
Filling in vacancies	3.72	2.05	3.06	3.42
Manuring	1.09	8.33	...	2.07
Spraying and dusting	...	0.24	...	0.05
Other pest control measure	0.65	1.67	1.22	0.99
Tapping	38.08	54.86	61.59	47.54
Processing	4.15	4.57	9.63	5.74
Transport charges	0.61	1.33	1.63	1.02
Interest charges	0.32	16.11	...	3.21
Land tax	0.76	1.62	1.23	1.04
Clerical and other charges	1.42	18.57	10.08	6.85
Any other charges	0.81	5.05	7.34	3.36
Average total cost	57.00	120.14	108.23	82.68

Source :—Replies collected by the field staff of the Rubber Board.

ANNEXURE XIII.

Statement showing group wise production and consumption of rubber (excluding imports) since 1948.

(In Tons)

Group	1948		1949		1950		1951		1952	
	Production	Consumption.	Production	Consumption.	Production	Consumption.	Production	Consumption.	Production	Consumption.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
Group 1.	6,516	4,705	6,445	4,711	5,934	5,248	6,606	6,107	8,188	7,428
Group 2.	2,543	2,494	2,613	4,470	3,127	4,002	3,152	3,413	3,790	3,246
Group 3.	1,503	1,351	1,333	2,000	1,276	1,970	1,332	1,358	1,755	1,029
Group 4.	978	795	1,396	6	1,151	951	1,218	776	1,147	732
Group 5.	557	1,226	694	1,391	623	1,486	833	1,243	834	1,663
Group 6.	450	1,715	496	1,749	482	1,370	570	657	563	1,000
Group 7.	52	216	40	101	62	89	37	95	34	114
Scrap Grades.	1,459	159	1,381	212	1,551	264	1,770	222	2,323	199
Latex (D. R. C.)	1,000	674	739	453	870	4[illegible]8	914	516	558	613
Sole crepe.	361	9	450	56	523	78	716	214	671	286
Estimate for manufacturers from whom returns have not been received (Groups not known).	...	2,042	...	396	...	869	...	905	...	900
Total	15,422	15,386	15,587	16,435	15,599	16,665	17,148	15,506	19,863	17,210

Source: Rubber Board

ANNEXURE XIII. *(Contd.)*

Statement showing groupwise production and consumption of rubber (excluding imports) since 1948.

(In Tons)

Group	1953		1954		TOTAL	
	Production	Consumption	Production	Consumption	Production	Consumption
	12.	13.	14.	15.	16.	17.
Group 1	8,434	5,900	8,457	6,560	50,580	40,659
Group 2	4,118	6,030	4,159	6,542	23,502	30,197
Group 3	2,039	3,214	2,132	2,368	11,373	13,290
Group 4	1,297	950	1,165	1,047	8,352	6,057
Gruup 5	934	2,251	1,027	1,725	5,502	10,985
Group 6	743	1,641	818	1,905	4,122	10,037
Group 7	38	138	57	143	320	896
Scrap Grades.	2,353	68	2,235	116	13,072	1,440
Latex (D. R C.)	635	607	833	707	5,554	3,998
Sole Crepe	545	202	605	178	3,871	1,023
Estimate for manufacturers from whom returns have not been received Groups not known.	...	900	...	825	...	6,837
Total	21,136	22,101	21,493	22,116	1,26,248	1,25,419

Source:—Rubber Board.

ANNEXURE XIV

Statement showing groupwise imports of raw rubber into India during 1948-1954

(In tons)

Group	1948	1949	1950	1951	1952	1953	1954
1	2	3	4	5	6	7	8
Group 1	2556	594	16	1764	513	32	285
Group 2	1015	1006	586	3862	1629	...	1637
Group 3	358	56	30	8	...	...	344
Group 4	...	70	...	...	...	5	2
Group 5	391	312	324	1035	1647	200	802
Group 6	...	...	114	115	3	15	175
Group 7	...	...	...	...	5	20	...
Revertex	...	10	12	...	...	...	...
Groups not known	13	719	...	...	19	...	...
Scrap Grades.	...	...	...	...	...	...	63
Latex.	...	...	...	137	54	...	63
Sole Crepe	...	...	...	...	...	...	...
Total	4333	2767	1082	6921	3851	272	3371

Source:—Rubber Board

ANNEXURE XV

A. *Statement showing Profits and their allocation according to types of management relating to 12 rubber companies.*

1939

(Figures in cols. 5 to 19 are in '000' Rs.)

Type of Ownership Management	No. of Cos.	Planted Acreage	Production (in lbs.)	Gross Profit	Other Income	Total (5 & 6)	Commission to		Interest	Others
							Managing Agents & Directors	Staff		
1	2	3	4	5	6	7	8	9	10	11
Sterling Companies (Controlled by Managing Agents/Secretaries etc.)	2	3,941	11,24,953	4,38	5	4.43	...	3	...	5
Rupees Companies : Under Non-Indian Managing Agents Control. Partly Non-Indian.	2	5,775	13,47,010	2,22	5	2,27	15	8	...	...
Under Indian Managing Agents Control. Indian.	4	2,465	3,06,016	1,13	...	1,13	7	...	4	...
Director Controlled Public Ltd.-Indian.	4	2,149	5.65,729	1,15	1	1,16	5	...	...	...
Total	12	14,330	33,43,708	8,88	11	8.93	27	11	3	5

ANNEXURE XV (*Contd.*)

A. Statement showing Profits and their allocation according to types of management relating to 12 rubber companies

1939

Figures in cols. 5 to 19 are in '000' Rs.

Type of Ownership/ Management	Net profit before Taxation	Provision for Taxation	Net profit after Taxation	Dividend	Transfered to Reserves	Net balance carried forward	Total Retained Profits	Gross sales proceeds	Net profit after taxation (in Rs.)	
									Per acre	Per 100 lbs.
	12	13	14	15	16	17	18	19	20	21
Sterling Companies Controlled by Managing Agents/Secretaries; etc.	4,35	10	4,25	5	...	4,20	4,20	8,80	107.84	37.75
Rupee Companies Under Non-Indian Managing Agents Control Partly Non-Indian	2,04	14	1,90	...	...	1,90	1,90	5,29	32.90	14.08
Under Indian Managing Agents Control Indian	1,02	...	1,02	31	27	44	71	1,49	41.38	33.14
Director Controlled Public Ltd. Indian	1,11	1	1,10	91	...	19	19	2,13	51.19	19.49
Total	8,52	25	8,27	1,27	27	6,73	7,00	17,71	57.71	24.74

ANNEXURE XV (*Contd.*)

A. Statement showing Profits and their allocation according to types of management relating to 12 rubber companies

1946

[Figure in cols. 5 to 19 are in '000' Rs.

Type of Ownership/ Management	No. of Cos.	Planted Acreage	Production in lbs	Gross Profit	Other Income	Total 5&6	Commission to		Interest	Others
							Managing Agents & Directors	Staff		
1	2	3	4	5	6	7	8	9	10	11
Sierling Companies Controlled by Managing Agents/Secretaries etc.	2	4,352	12,33,320	3,66	11	3,77	2	13	...	...
Rupee Companies Under Non-Indian Managing Agents Control Partly Non-Indian.	2	5,865	16,64.451	6.05	18	6,23	23	31	...	...
Under Indian Managing Agents Control Indian	4	2 531	4,96,457	1,05	5	1,10	13	6	...	...
Director Controlled Public Ltd.-Indian	4	2,467	7.45,373	1,94	4	1,93	40	...	...	...
Total	12	15.215	41,41,606	12,70	33	13,08	78	50	...	...

ANNEXURE XV (*Contd.*)

A. Statement showing Profits and their allocation according to types of management relating to 12 rubber companies

1946

Figures in cols. 5 to 19 are '000 Rs.

Type of ownership/ Management	Net profit before Taxation	Provision for Taxation	Net profit after Taxation	Dividend	Transfered to Reserves	Net balance carried forward	Total Retained Profits	Gross sales proceeds	Net profit after taxation (in Rs)	
									Per acre	Per 100 lbs
	12	13	14	15	16	17	18	19	20	21
Sterling Companies Controlled by Managing Agents/Secretaries etc.	3,62	1,65	1,97	55	30	1,12	1,42	11,98	45.27	15.91
Rupee Companies: Under Non-Indian Managing Agents Control Partly Non-Indian	5,69	...	5,69	2,77	...	2,92	2,92	14,08	97.02	34.16
Under Indian Managing Agents Control Indian	91	38	53	45	15	-7	8	4,99	20.94	10.74
Director Controlled Public Ltd.-Indian	1,58	91	67	32	5	30	35	5,49	27.16	9.03
Total	11,80	2,94	8,86	4,09	50	4,27	4,77	36,54	58.23	21.39

ANNEXURE XV (*Contd.*)

A. Statement showing Profits and their allocation according to types of management relating to 12 rubber companies.

1950

(Figures in cols. 5 to 19 are in '000 Rs.)

Type of Ownership/ Management	No. of Cos.	Planted Acreage	Production [in lbs.]	Gross Profit	Other Income	Total 5 & 6	Commission to Managing Agents & Directors	Commission to Staff	Interest	Others
1	2	3	4	5	6	7	8	9	10	11
Sterling companies: (Controlled by Managing Agents/Secretaries etc.)	2	5,789	17,73,814	7,61	15	7,76	55	31	...	...
Rupee Companies: Under Non-Indian Managing Agents Control Partly Non-Indian	2	5,922	17,29,772	5,11	8	5,19	33	27	...	1
Under Indian Managing Agents Control Indian	4	2,599	5,11,128	1,60	17	1,77	31	...	...	...
Director Controlled Public Ltd.—Indian	4	2,467	7,35,569	2,21	4	2,25	38	...	8	...
Total	12	16,777	47,50,283	16,53	44	16,97	1,57	85	8	1

ANNEXURE XV (*Contd.*)

A. Statement showing Profits and their allocation according to types of management relating to 12 rubber companies

1950

[Figures in cols. 5 to 19 are in '000 Rs.]

Type of Ownership/ management	Net Profit before taxation	Provision for taxation	Net Profit After taxation	Dividend	Transfered to Reserves	Net balance carried forward	Total Retained Profits	Gross sales proceeds	Net Profit after taxation [In Rs.]	
									Per acre	Per 100 lbs.
	12	13	14	15	16	17	18	19	20	21
Sterling companies: (Controlled by Managing Agents/Secretaries etc.)	6,90	2,75	4,15	1,18	2,41	56	2,97	20,64	71.69	23.38
Rupee companies: *Under Non-Indian Managing Agents Control* Partly Non-Indian	4,58	...	4,58	2,84	25	1,49	1,74	16,68	7 7.34	26.46
Under Indian Managing Agents Control Indian	1,46	24	1,22	86	36	...	36	6,78	46.94	23.84
Director Controlled Public Ltd.—Indian	1,79	72	1,07	1,00	6	1	7	6,55	43.37	14.65
Total	14,73	3,71	11,02	5,88	3,08	2,06	5,14	50,65	65.69	23.20

ANNEXURE XV (*Contd.*)

A. Statement showing Profits and their allocation according to types of management relating to 12 rubber companies

1951

(Figures in cols. 5 to 19 are in '000' Rs.)

Type of Ownership/ Management	No. of Cos.	Planted Acreage	Production in lbs.	Gross Profit	Other Income	Total (5 & 6)	Commission to		Interest	Others
							Managing Agents & Directors	Staff		
1	2	3	4	5	6	7	8	9	10	11
Sterling Companies Controlled by Managing Agents/Secretaries etc.	2	5,772	18,93,053	12,66	5	12,71	73	48	...	...
Rupee Companies Under Non-Indian Managing Agents Control Partly Non-Indian	2	5,993	18,44,675	9,23	5	9,28	35	47	...	4
Under Indian Managing Agents Control Indian	4	2,606	5,48,337	2,80	7	2,87	39	...	...	...
Director Controlled Public Ltd.-Indian	4	2,467	8,61,226	4,83	2	4,85	41	...	6	...
Total	12	16,838	51,47,291	29,52	19	29,71	1,88	95	6	4

ANNEXURE XV (*Contd.*)

A. Statement showing Profits and their allocation according to types of management relating to 12 rubber companies

1951

(Figures in cols. 5 to 19 are in '000 Rs.)

Type of Ownership/ Management	Net profit before Taxation	Provision for Taxation	Net profit after Taxation	Dividend	Reserves	Net balance carried forward	Total Retained Profits	Gross sales proceeds	Net profit after taxation (in Rs.)	
									Per acre	Per 100 lbs.
	12	13	14	15	16	17	18	19	20	21
Sterling Companies Controlled by Managing Agents/Secretaries etc.	11,50	7,31	4,19	1,77	89	1,53	2,42	28,46	72.59	22.15
Rupee Companies Under Non-Indian Managing Agents Control Partly Non-Indian	8,42	64	7,78	4,43	4,50	-1,15	3,35	22,20	129.31	42.20
Under Indian Managing Agents Control Indian	2,48	67	1,81	1,06	70	5	75	9,55	69.45	33.01
Director Controlled Public Ltd.-Indian	4,38	1,72	2,66	1,85	66	15	81	10,14	107.82	30.81
Total	26,78	10,34	16,44	9,11	6,75	58	7,33	70,35	97.62	31.94

ANNEXURE XV (*Contd.*)

A. *Statement showing Profits and their allocation according to types of management relating to 12 rubber companies*

1952

(Figures in cols. 5 to 19 are in '000 Rs.)

Type of Ownership/ Management	No. of Cos.	Planted Acreage	Production (in lbs.)	Gross Profit	Other Income	Total (5 & 6)	Commission to		Interest	Others
							Managing Agents & Directors	Staff		
1	2	3	4	5	6	7	8	9	10	11
Sterling Companies (Controlled by Managing Agents/Secretaries etc.)	2	5,760	19,16,529	8,63	8	8,71	73	33	...	...
Rupee Companies Under Non-Indian Managing-Agents Control Partly Non-Indian	2	6,156	19,85,334	10,61	8	10,69	46	42	...	1
Indian Managing Agents Control Indian	4	2,630	5,78,800	2,73	10	2,83	38	...	...	...
Director Controlled Public Ltd. Indian	4	2,432	8,94,517	4,11	2	4,13	43	...	6	...
Total	12	16,978	53,75,210	26,08	28	26,36	2,05	80	6	1

ANNEXURE XV (*Contd.*)

A. Statement showing Profits and their allocation according to types of management relating to 12 rubber companies

1952 (Figures in cols. 5 to 19 are in '000 Rs.)

Type of Ownership/ Management	Net profit before Taxation	Provision for Taxation	Net profit after Taxation	Dividend	Reserves	Net balance carried forward	Total Retained Profits	Gross sales proceeds	Net profit after taxation	
									Per acre	Per 100 lbs.
	12	13	14	15	16	17	18	19	20	21
Sterling Companies (Controlled by Managing Agents/Secretaries etc.)	7,60	4,88	2,72	1,23	1,69	—20	1,49	26,51	47.22	14.21
Rupee Companies Under Non-Indian Managing Agents Control Partly Non-Indian	9,80	49	9,31	5,33	4,45	—17	3,93	26,17	151.23	46.86
Under Indian Managing Agents Control Indian	2,45	59	1,86	1,31	87	—32	55	8,92	70.72	32.19
Director Controlled Public Ltd. Indian	3,59	1,32	2,27	1,62	53	7	65	10,09	93.34	25.33
Total	23,44	7,28	16,16	9,19	7,59	—92	6,67	71,69	95.18	30.05

ANNEXURE XV (*Contd.*)

A. Statement showing Prafits and their allocation according to types of monagement relating to 12 rubber companies

1953

(Figures in cols. 5 to 19 are in '000 Rs.)

Tppe of Ownership/ Management	No. of Cos.	Planted Acreage	Production (in lbs.)	Gross Profit	Other Income	Total (5 & 6)	Commission to		Interest	Others
							Managing Agents & Directors	Staff		
1	2	3	4	5	6	7	8	9	10	11
Sterling Companies (Controlled by Managing Agents/Secretaries etc.)	2	5,767	19,60,803	7,46	23	7,69	59	42	...	...
Rupee Companies Under Non-Indian Managing Agents Control Partly Non-Indian	2	6,231	19,34,108	10,35	6	10,41	47	40	...	...
Under Indian Managing Agents Control Indian	4	2,678	6,27,916	2,97	6	3,03	40	...	...	...
Director Controlled Public Ltd.-Indian	4	2,371	8,69,975	4,60	3	4,63	52	...	9	...
Total	12	17,047	53,92,802	25,38	38	25,76	1,93	82	9	...

ANNEXURE XV (*Contd.*)

A. Statement showing Profits and their allocation according to types of management relating to 12 rubber companies

1953

(Figures in cols. 5 to 19 are in '000' Rs.)

Type of Ownership/ Management	Net profit before Taxation	Provision for Taxation	Net profit after Taxation	Dividend	Reserves	Net balance carried forward	Total Retained Profits	Gross sales proceeds	Net profit after taxation (in Rs.)	
									Per acre	Per 100 lbs.
	12	13	14	15	16	17	18	19	20	21
Sterling Companies (Controlled by Managing Agents/Secretaries etc.)	6,68	4,25	2,43	1,57	45	41	86	26,96	42.14	12.39
Rupee Companies Under Non-Indian Managing Agents Control Partly Non-Indian	9,54	37	9,17	5,48	4,02	—33	3,69	26,58	147.17	47.42
Under Indian Managing Agents Control Indian	2,63	58	2,05	1,41	85	—21	64	11,01	76.55	32.59
Director Controlled Public Ltd.-Indian	4,02	1,46	2,56	1,82	73	1	74	10,71	107.97	29.48
Total	22,87	6,66	16,21	10,28	6,05	—12	5,93	75,26	95.09	30.06

ANNEXURE XV (*Contd.*)

B. Statement showing Profits and their allocation according to types of management relating to 17 rubber Companies.

1939

(Figures in cols. 5 to 18 are in '000' Rs.)

Type of ownership/ Management	No. of Cos	Planted Acreage	Production (lbs.)	Gross Profit	Other Income	Total 5 & 6	Commission to Managing Agents & Directors	Commission to Staff	Interest	Others
1	2	3	4	5	6	7	8	9	10	11
Sterling Companies (Controlled by Managing Agents/Secretaries etc.)	4	23,450	76,62,524	14,68	58	15,26	77	4	...	45
Rupee Companies										
Under Non-Indian Managing Agents Control										
Non-Indian	1	531	1,28,729	12	...	12	7	1	9	...
Partly Non-Indian	2	5,775	13,47,010	2,22	5	2,27	15	8	...	...
Under Indian Managing Agents Control										
Indian	4	2,465	3,06,016	1,13	...	1,13	7	...	4	...
Outside Managing Agents Control										
Public Ltd.-Indian	6	3,577	10,18,340	1,94	9	2,03	19	...	1	...
Total	17	35,798	1,04,62,619	20,09	72	20,81	1,25	13	14	45

ANNEXURE XV (*Contd.*)

B. Statement showing Profits and their allocation according to types of management relating to 17 Rubber Companies

1939

(Figures in cols. 5 to 18 are in '000' Rs.)

Type of ownership/ Management	Net profit before taxation	Provision for taxation	Net profit after taxation	Dividend	Transfered to Reserves	Net Balance carried forward	Total Retained Profit (16 & 17)	Net profit after (in Rs.) taxation	
								Per acre	Per lbs.
	12	13	14	15	16	17	18	19	20
Sterling Companies (Controlled by Managing (Agents/Secretaries etc.)	14,00	10	13,90	5,59	4,13	4,18	8,31	59.24	18.00
Rupee Companies									
Under Non-Indian Managing Agents Control									
Non-Indian	—5	...	—5	...	...	—5	—5	—9.61	—4.00
Partly Non-Indian	2,04	14	1,90	...	...	1,90	1,90	32.90	14.08
Under Indian Managing Agents Control									
Indian	1,02	...	1,02	31	27	44	71	41.38	33.14
Outside Managing Agents Control									
Public Ltd.-Indian	1,83	4	1,79	1,45	14	20	34	50.21	19.00
Total	18,84	28	18,56	7,35	4,54	6,67	11.21	53.23	18.00

ANNEXURE XV *(Contd.)*

B. *Statement showing Profits and their allocation according to types of management relating to 17 Rubber Companies.*

1946

(Figures in cols. 5 to 18 are in '000' Rs.)

Type of ownership/ Management	No. of Cos.	Planted Acreage	Production (lbs.)	Gross Profit	Other Income	Total 5 & 6	Commission to		Interest	Others
							Managing Agents & Directors	Staff		
1	2	3	4	5	6	7	8	9	10	11
Sterling Companies (Controlled by Managing Agents/Secretaries etc.)	4	24,773	65,08,980	24,26	68	24,94	1,03	19	...	...
Rupee Companies *Under Non-Indian Managing Agents Control* Non-Indian	1	531	2,51,120	76	...	76	4	...	1	...
Partly Non-Indian	2	5,865	16,64,451	6,05	18	6,23	23	31	...	...
Under Indian Managing Agents Control Indian	4	2,531	4,95,457	1,05	5	1,10	13	6	...	...
Outside Managing Agents Control Public Ltd.-Indian	6	4,779	15,87,519	4,45	15	4,60	90	...	...	...
Total	17	38,479	1,05,03,527	36,57	1,06	37,63	2,33	56	1	...

ANNEXURE XV (*Contd.*)

B. Statement showing Profits and their allocation according to types of management relating to 17 Rubber Companies.

1946

(Figures in cols. 5 to 18 are in '000' Rs.)

Type of ownership/ Management	Net profit before taxation	Provision for taxation	Net profit after taxation	Dividend	Transfered to Reserves	Net Balance carried forward	Total Retained Profit 16 & 17	Net profit after taxation (in Rs.)	
								Per acre	Per lb
	12	13	14	15	16	17	18	19	20
Sterling Companies Controlled by Managing Agents/Secretaries etc.	23,72	12,32	11,40	5,91	4,36	1,13	5,49	46.04	17.00
Rupee Companies Under Non-Indian Managing Agents Control Non-Indian	71	25	46	...	...	46	46	85.81	18.00
Partly Non-Indian	5,69	...	5,69	2,77	...	2,92	2,92	97.02	34.16
Under Indian Managing Agents Control Indian	91	39	53	45	15	-7	8	20.94	10.74
Outside Managing Agents Control Public Ltd.-Indian	3,70	1,62	2,08	1,63	12	33	45	43.36	13.00
Total	34,73	14,57	20,16	10,76	4,63	4,77	9,40	52.37	20.00

ANNEXURE XV (*Contd.*)

B. Statement showing Profits and their allocation according to types of management relating to 17 Rubber Companies.

1950

(Figures in cols. 5 to 18 are in '000' Rs.)

Type of ownership/ Management	No. of Cos.	Planted Acreage	Production (lbs.)	Gross Profit	Other Income	Total 5 & 6	Commission to: Managing Agents & Directors	Commission to: Staff	Interest	Others
1	2	3	4	5	6	7	8	8	10	11
Sterling Companies Controlled by Managing Agents/Secretaries etc.	4	26,320	75,65,374	39,03	45	39,48	2,06	26	...	...
Rupee Companies *Under Non-Indian Managing Agents Control* Non-Indian	1	543	2,68,332	78	1	79	15	...	1	...
Partly Non-Indian	2	5,922	17,29,772	4,11	8	5,19	33	27	...	1
Under Indian Managing Agents Control Indian	4	2,599	5,11,128	1,60	17	1,77	31	...	...	...
Outside Managing Agents Control Public Ltd.-Indian	6	4,789	16,47,907	6,09	11	6,20	98	...	8	...
Total	17	40,173	1,17,22,513	52,61	82	53,43	3,83	53	9	1

ANNEXURE XV (*Contd.*)

B. Statement showing Profits and their allocation according to types of management relating to 17 Rubber Companies.

1950

(Figures in cols 5 to 18 are in '000' Rs.)

Type of ownership/ Management	Net profit before taxation	Provision for taxation	Net profit after taxation	Dividend	Transfered to Reserves	Net Balance carried forward	Total Retained Profit 16 & 17	Net profit after taxation (in Rs.)	
								Per acre	Per lb.
	12	13	14	15	16	17	18	19	20
Sterling Companies. (Controlled by Managing Agents/Secretaries etc.)	37,16	19,90	17,26	7,42	9,20	64	9,84	65.57	23.00
Rupee Companies ***Under Non-Indian Managing Agents Control***									
Non-Indian	63	29	34	21	..	13	13	63.47	13.00
Partly Non-Indian	4,58	...	4,58	2,84	24	1,49	1,74	77.34	26.46
Under Indian Managing Agents Control									
Indian	1,46	24	1,22	86	36	...	36	46.94	23.84
Outside Managing Agents Control									
Public Ltd.-Indian	5,14	1,96	3,18	2,63	47	8	55	66.36	19.00
Total	48,97	22,39	26,53	13,96	10,28	2,34	12,62	66.16	23.00

ANNEXURE XV (*Contd.*)

B. Statement showing Profits and their allocation according to types of management relating to 17 Rubber Companies.

1951

(Figures in Cols. 5 to 18 are in '000' Rs.)

Type of ownership/ Management	No. of Cos	Planted Acreage	Production (lbs.)	Gross Income	Other Income	Total 5 & 6	Commission to		Interest	Others
							Managing Agents & Directors	Staff		
1	2	3	4	5	6	7	8	9	10	11
Sterling Companies Controlled by Managing) Agents/Secretaries etc.)	4	26,313	80,50,653	55,96	57	56,53	2,45	39	...	...
Rupee Companies										
Under Non-Indian Managing Agents Control										
Non-Indian	1	543	2,58,646	1,24	1	1,25	20	...	1	...
Partly Non-Indian	2	5,993	18,44,675	9,23	5	9,28	35	47	...	...
Under Indian Managing Agents Control										
Indian	4	2,606	5,48,337	2,80	7	2,87	39	...	...	...
Outside Managing Agents Control										
Public Ltd.-Indian	6	4,789	17,92,795	9,80	9	9,89	1,10	...	5	...
Total	17	40,244	1,24,95,106	79,03	79	79,82	4,49	86	6	4

ANNEXURE XV (*Contd.*)

B. *Statement showing Profits and their allocation according to types of management relating to 17 Rubber Companies.*

1951

(Figures in cols. 5 to 18 are in '000' Rs.)

Type of ownership/ Management	Net profit before taxation	Provision for taxation	Net profit after taxation	Dividend	Transfered to Reserves	Net Balance carried forward	Total Retained Profit 16 & 17	Net profit after taxation (in Rs.)	
								Per acre	Per lb.
	12	13	14	15	16	17	18	19	20
Sterling Companies (Controlled by Managing Agents/Secretaries etc.)	53,69	32,13	21,56	5,93	14,11	1,52	15,63	81.93	27.00
Rupee Companies Under Non-Indian Managing Agents Control Non-Indian	1,04	41	63	27	...	36	36	115.26	24.00
Partly Non-Indian	8,42	64	7,78	4,43	4,50	-1,15	3,35	129.81	42.20
Under Indian Managing Agents Control Indian	2,48	67	1,81	1,06	70	5	75	69.45	33.01
Outside Managing Agents Control Public Ltd.-Indian	8,74	3,37	5,37	3,57	1,64	16	1,80	112.07	29.00
Total	74,37	37,22	37,15	15,26	20,95	94	21,89	92.30	29.00

ANNEXURE XV (*Contd.*)

B. Statement showing Profits and their allocation according to types of management relating to 17 Rubber Companies.

1952

(Figures in cols. 5 to 18 are in '000' Rs.)

Type of ownership/ Management	No. of Cos.	Planted Acreage	Production (lbs.)	Gross Profit	Other Income	Total 5 & 6	Commission to		Interest	Others
							Managing Agents & Directors	Staff		
1	2	3	4	5	6	7	8	9	10	11
Sterling Companies (Controlled by Managing Agents/Secretaries etc.)	4	26,194	87,09,216	31,61	1,08	32,69	2,69	32	...	...
Rupee Companies Under Non-Indian Managing Agents Control. Non-Indian	1	543	2,63,456	80	1	81	22	...	...	...
Partly Non-Indian.	2	6,156	19,85,334	10,61	8	10,69	46	42	...	1
Under Indian Managing Agents Control. Indian.	4	2,630	5,78,800	2,73	10	2,83	38	...	...	...
Outside Managing Agents Control Public Ltd.-Indian.	6	4,754	19,19,933	7,55	10	7,65	1,06	...	6	...
Total	17	40,277	1,34,56,739	53,30	1,37	54,67	4,81	74	6	1

ANNEXURE XV (*Contd.*)

B. Statement showing Profits and their allocation according types of management relating to 17 Rubber Companies

1952

(Figures in Cols. 7 to 18 are '000' Rs.)

Type of ownership/ Management	Net profit before taxation	Provision for taxation	Net profit after taxation	Dividend	Transfered to Reserves	Net Balance carried forward	Total Retained Profit 16 & 17	Net profit after taxation (in Rs.)	
								Per acre	Per lb.
	12	13	14	15	16	17	18	19	20
Sterling Companies (Controlled by Mannaging Agents/Secretaties etc.)	29,68	15,54	14,14	5,51	8,74	—11	8,63	53.97	16.00
Rupee Companies Under Non-Indian Managing Agents Control Non-Indian	59	24	35	38	...	—3	—3	64.04	13.00
Partly Non-Indian.	9,80	49	9,31	5,33	4,45	—47	3,98	151.23	46.86
Under Indian Managing Agents Control Indian	2,45	59	1,86	1,31	87	—32	55	70.72	32.19
Outside Managing Agents Control Public Ltd.-Indian.	6,53	2,48	4,05	3,30	65	10	75	85.17	21.00
Total	49,05	19,34	29,71	15,83	14,71	—83	13,88	73.76	22.00

ANNEXURE XV (*Contd.*)

B. Statement showing Profits and their allocation according to types of management relating to 17 Rubber Companies.

1953

(Figures in cols. 5 to 18 are in '000' Rs.)

Type of ownership/ Management	No. of Cos.	Planted Acreage	Production (lbs.)	Gross Profit	Other Income	Total (5 & 6)	Commission to		Interest	Others
							Managing Agents & Directors	Staff		
1	2	3	4	5	6	7	8	9	10	11
Sterling Companies: (Controlled by Managing Agents/Secretaries etc.)	4	25,982	88,80,240	55,54	1,53	57,07	2,92	36	...	...
Rupee Companies. Under Non-Indian Managing Agents Control. Non-Indian	1	502	2,89,211	69	1	70	16	...	...	...
Partly Non-Indian	2	6,231	19,34,108	10,35	6	10,41	47	40	...	...
Under Indian Managing Agents Control. Indian.	4	2,678	6,27,916	2,97	6	3,03	40	...	...	...
Outside Managing Agents Control. Public Ltd-Indian	6	4,702	18,82,531	10,10	7	10,17	1,27	...	9	...
Total	17	40,095	1,36,14,066	79,65	1,73	81,38	5,22	76	9	...

ANNEXURE XV (*Contd.*)

B. Statement showing Profits and their allocation according to types of management relating to 17 Rubber Companies.

1953

(Figures in cols. 5 to 18 are in '000' Rs.)

Type of Ownership/ Management	Net Profit before taxation	Provision for taxation	Net Profit After taxation	Dividend	Transfered to Reserves	Net balance carried forward	Total Retained Profits (16&17)	Net profit after taxation (in Rs.)	
								Per acre	Per lb.
	12	13	14	15	16	17	18	19	20
Sterling Companies. (Controlled by Manag ng Agents/Secretaries etc.)	53,79	33,91	19,88	10,26	9,27	35	9,62	76.50	22.00
Rupee Companies. Under Non-Indian Managing Agents Control. Non-Indian.	54	19	·35	21	...	14	14	69.77	12.00
Partly Non-Indian.	9,54	37	9,17	5,48	4,02	-33	3,69	147.17	47.42
Under Indian Managing Agents Control. Indian.	2,63	58	2,05	1,41	85	—21	64	76.55	32.59
Outside Managing Agents Control. Public Ltd-Indian	8,81	3,12	5,69	3,93	1,78	—2	1,76	121.06	30.00
Total.	75,31	38,17	37,14	21,29	15,92	—7	15,85	92.62	27.00

Source : Balance Sheets

ANNEXURE XVI

Statement 1.

Statement showing Gross Profit and other income of 12 Rubber Plantation Companies.

(In '000' Rs.)

Type of Ownership/Management	No. of Companies	1939	1946	1950	1951	1952	1953	Average of 1950–1953
1	2	3	4	5	6	7	8	9
Sterling Companies								
(Controlled by Managing Agents/Secretaries etc.)	2	4,43	3,77	7,76	12,71	8,71	7,69	9,21.75
Rupee Companies Under Non-Indian Managing Agents Control								
Partly Non-Indian	2	2,27	6,23	5,19	9,28	10,69	10,41	8,89.25
Under Indian Managing Agents Control								
Indian	4	1,13	1,10	1,77	2,87	2,83	3,03	2,62.50
Director Controlled								
Public Ltd.-Indian	4	1,16	1,98	2,25	4,85	4,13	4,63	3,96.50
All Groups	12	8,99	13,08	16,97	29,71	26,36	25,76	24,70.00

ANNEXURE XVI (*Contd.*)

Statement 2.

Statement showing percentage of Gross Profit to total capital employed.

(In Percentages)

Type ef Ownership/Management	No. of Companies	1939	1946	1950	1951	1952	1953	Average of 1950–1953
1	2	3	4	5	6	7	8	9
Sterling Companies								
(Controlled by Managing Agents/Secretaries etc.)	2	12.41	8.85	16.86	23.48	21.96	14.38	...
Rupee Companies Under Non-Indian Managing Agents Control								
Partly Non-Indian	2	12.79	15.82	13.30	20.76	22.66	19.66	...
Under Indian Managing Agents Control								
Indian	4	14.95	5.90	9.13	13.97	14.59	13.60	...
Director Controlled								
Public Ltd.-Indian	4	10.70	13.42	15.30	28.41	28.10	24.76	...
All Groups	12	10.51	11.33	14.24	21.78	21.80	17.48	...

ANNEXURE XVI (*Contd.*)

Statement 3.

Statement showing proportion of Gross Profit to Gross sale proceeds.

(In Percentages)

Type of Ownership/Management	1939	1946	1950	1951	1952	1953
1	2	3	4	5	6	7
Sterling Companies						
(Controlled by Managing Agents/Secretaries etc.)	50.34	31.47	37.60	44.66	32.86	28.52
Rupee Companies Under Non-Indian Managing Agents Control						
Partly Non-Indian	42.91	44.25	31.12	41.80	40.85	39.16
Under Indian Managing Agents Control						
Indian	75.84	22.04	26.11	30.05	31.72	27.52
Director Controlled						
Public Ltd.-Indian	54.46	36.07	34.35	47.83	40.93	43.23
All Groups	50.76	35.80	33.50	42.23	36.77	34.23

ANNEXURE XVI *(Contd.)*

Statement 4.

Statement showing Commission to Managing Agents and Director's Remuneration.

(in '000' Rs.)

Type of Ownership/Management	No. of Compa-nies.	1939	1946	1950	1951	1952	1253	Average of 1950—1953
1	2	3	4	5	6	7	8	9
Sterling Companies.								
(Controlled by Managing Agents/Secretaries etc.)	2	N.A.	2	55	73	73	59	65.00
Rupee Companies.								
Under Non-Indian Managing Agents Control.								
Partly Non-Indian.	2	15	23	33	35	46	47	40.25
Under Indian Managing Agents Control.								
Indian.	4	7	13	31	39	38	40	37.00
Director Controlled.								
Public Limited-Indian.	4	5	40	38	41	48	52	44.75

ANNEXURE XVI (*Contd.*)

Statement 5.

Statement showing percentage of Commission paid to Managing Agents and Directors to Gross Profit.

(In Percentages)

Type of Ownership/Management	1939	1946	1950	1951	1952	1953
1	2	3	4	5	6	7
Sterling Companies						
(Controlled by Managing Agents/Secretaries etc.)	N.A.	N.A.	7.09	5.74	8.38	7.67
Rupee Companies						
Non-Indian Managing Agents Control.						
Partly Non-Indian.	6.61	3.69	6.36	3.77	4.30	4.51
Indian Managing Agents Control.						
Indian.	6.19	11.82	17.51	13.59	13.43	13.20
Director Controlled.						
Public Ltd.—Indian	4.31	20.20	16.89	8.45	11.62	11.23

ANNEXURE XVI (*Contd.*)

Statement 6.

Statement showing Commission paid to staff

(In '000' Rs.)

Type of Ownership/Management	No. of Companies	1939	1946	1950	1951	1952	1953	Average of 1950--1953
1	2	3	4	5	6	7	8	9
Sterling Companies.								
(Controlled by Managing Agents/ Secretaries etc.)	2	3	13	31	48	38	42	32.75
Rupees Companies								
Non-Indian Managing Agents Control								
Partly Non-Indian	2	8	31	27	47	42	40	39.00
Under Indian Managing Agents control								
Indian	4	...	6	...	...	...	...	...
Director controlled								
Public Limited-Indian	4	...	...	...	...	..	...	...

ANNEXURE XVI (*Coutd.*

Statement 7

ng the percentage of staff Commission Gı Profit.

n Percentaı

Type of Ownership/Management	1939	1946	1950	1951	1952	1953
1	2	3	4	5	6	7
Sterling Companies.						
(Controlled by Managing Agents/Secretaries etc.)	0.68	3.45	3.99	3.78	4.36	5.46
Rupee Companies.						
Non-Indian Managing Agents Control						
Partly Non-Indian	3.52	4.98	5.20	5.06	3.93	3.84
Indian Managing Agents Control						
Indian	...	5.45	...	...	...	...
Director Controlled						
Public Ltd.—Indian.	...	...	...	...	...	...

ANNEXURE XVI (*Contd.*)

Statement 8.

Statement showing Net Profit before Taxation

(In '000' Rs.)

Type of Ownership/Management	No. of Companies	1939	1946	1950	1951	1952	1953	Average of 1950--1953
1	2	3	4	5	6	7	8	9
Sterling Companies								
(Controlled by Managing Agents etc.)	2	4,35	3,62	6,90	11,50	7,60	6,68	8,17.00
Rupee Companies.								
Under Non-Indian Managing Agents control								
Partly Non-Indian.	2	2,04	5,69	4,58	8,42	9,80	9,54	8,08.50
Under Indian Managing Agents control								
Indian	4	1,02	91	1,46	2,48	2,45	2,63	2,25.50
Director Controlled								
Public Ltd—Indian.	4	1,11	1,58	1,79	4,38	3,59	4,02	3,44.50
All Groups	12	8,52	11,80	14,73	26,78	23,44	22,87	21,95.50

ANNEXURE XVI (*Contd.*)

Statement 9.

Statement showing Net Profit After Taxation.

(In '000' Rs.)

Type of Ownership/Management	No. of Companies	1939	1946	1950	1951	1952	1953	Average of 1950–1953
1	2	3	4	5	6	7	8	9
Sterling Companies.								
(Controlled by Managing Agents/Secretaries etc.)	2	4,25	1,97	4,15	4,19	2,72	2,43	3,37.25
Rupee Companies:								
Under Non-Indian Managing Agents control								
Partly Non-Indian.	2	1,90	5,63	4,53	7,78	9,31	9,17	7,71.00
Under Indian Managing Agents Control								
Indian	4	1,02	53	1,22	1,81	1,86	2,05	1,73.50
Director Controlled								
Public Ltd.—Indian	4	1,10	67	1,07	2,66	2,27	2,56	2,14.00
All Groups	12	8,27	8,86	11,02	16,44	16,16	16,21	14,95.75

ANNEXURE XVI (*Contd.*)

Statement 10.

Statement showing percentage of net profit before taxation to paid-up capital.

(In percentages)

Type of Ownership/Management	No. of Companies	1939	1946	1950	1951	1952	1953
1	2	3	4	5	6	7	8
Sterling Companies							
(Controlled by Managing Agents/Secretaries etc.)	2	16.01	12.93	24.64	41.07	27.14	23.86
Rupee Companies							
Under Non-Indian Managing Agents Control							
Partly Non-Indian	2	18.31	38.06	30.64	56.32	44.28	33.11
Under Indian Managing Agents Control							
Indian	4	18.31	7.87	12.62	21.43	21.18	24.31
Director Controlled							
Public Ltd.—Indian	4	12.33	17.77	19.98	48.88	40.07	45.22
All Groups	12	16.11	18.61	23.20	42.19	33.17	32.75

ANNEXURE XVI (*Contd.*)

Statement 11.

Statement showing percentage of net profit after taxation to net worth.

(In percentages)

Type of Ownership/Management	No. of Companies	1939	1946	1950	1951	1952	1953
1	2	3	4	5	6	7	8
Sterling Companies							
(Controlled by Managing Agents/Secretaries etc.)	2	12.49	5.01	10.81	10.52	6.46	5.30
Rupee Companies							
Under Non-Indian Managing Agents Control							
Partly Non-Indian	2	11.30	16.47	12.49	18.37	19.74	18.19
Under Indian Managing Agents Control							
Indian	4	14.96	3.27	6.71	9.36	9.31	10.87
Director Controlled							
Public Ltd.—Indian	4	10.37	4.82	7.74	16.44	14.46	16.64
All Groups	12	12.11	8.52	10.29	13.97	12.93	12.42

ANNEXURE XVI (*Contd.*)

Statement 12.

Statement showing net profit after taxation per acre.

(In Rs.)

Type of Ownership/Management	No. of Companies	1939	1946	1950	1951	1952	1953
1	2	3	4	5	6	7	8
Sterling Companies							
(Controlled by Managing Agents/Secretaries etc.)	2	107.84	45.27	71.69	72.59	47.22	42.14
Rupee Companies							
Under Non-Indian Managing Agents Control							
Partly Non-Indian	2	32.90	97.02	77.34	129.81	151.23	147.17
Under Indian Managing Agents Control							
Indian	4	41.38	20.94	46.94	69.45	70.72	76.55
Director Controlled							
Public Ltd.—Indian	4	51.19	27.16	43.37	107.82	93.34	107.97
All Groups	12	57.71	58.23	65.69	97.62	95.18	95.09

ANNEXURE XVI (*Contd.*)

Statement 13.

Statement showing net profit after taxation per 100 lbs.

(In Rs.)

Type of Ownership/Management	No. of Companies	1939	1946	1950	1951	1952	1953
1	2	3	4	5	6	7	8
Sterling Companies							
(Controlled by Managing Agents/Secretaries etc.)	2	37.75	15.91	23.38	22.15	14.21	12.39
Rupee Companies							
Under Non-Indian Managing Agents Control							
Partly Non-Indian	2	14.08	34.16	26.46	42.20	46.86	47.42
Under Indian Managing Agents Control							
Indian	4	33.14	10.74	23.84	33.01	32.19	32.59
Director Controlled							
Public Ltd.—Indian	4	19.49	9.03	14.65	30.81	25.33	29.48
All Groups	12	24.74	21.39	23.20	31.94	30.05	30.06

ANNEXURE XVI (*Contd.*)

Statement 14.

Statement showing dividends.

(In '000' Rs.)

Type of Ownership/Management	No. of Companies	1939	1946	1950	1951	1952	1953	Average of 1950–1953
1	2	3	4	5	6	7	8	9
Sterling Companies								
(Controlled by Managing Agents/Secretaries etc.)	2	5	55	1,18	1,77	1,23	1,57	1,43.75
Rupee Companies								
Under Non-Indian Managing Agents Control								
Partly Non-Indian	2	...	2,77	2,84	4,43	5,33	5,48	4,52.00
Under Indian Managing Agents Control								
Indian	4	31	45	86	1,06	1,31	1,41	1,16.00
Director Controlled								
Public Ltd.—Indian	4	91	32	1,00	1,85	1,62	1,82	1,57.25
All Groups	12	1,27	4,09	5,88	9,11	9,49	10,28	8,69.00

ANNEXURE XVI (*Contd.*)

Statement 15.

Statement showing retained profits.

(In '000' Rs.)

Type of Ownership/Management	No. of Companies	1939	1946	1950	1951	1952	1953	Average of 1950–1953
1	2	3	4	5	6	7	8	9
Sterling Companies								
(Controlled by Managing Agents/Secretaries etc.)	2	4,20	1,42	2,97	2,42	1,49	86	1,93.50
Rupee Companies								
Under Non-Indian Managing Agents Control								
Partly Non-Indian	2	1,90	2,92	1,74	3,35	3,98	3,69	3,19.00
Under Indian Managing Agents Control								
Indian	4	71	8	36	75	55	64	57.50
Director Controlled								
Public Ltd.—Indian	4	19	35	7	81	65	74	56.75
All Groups	12	7,00	4,77	5,14	7,33	6,67	5,93	6,26.75

ANNEXURE XVI (*Contd.*)

Statement 15A.

Statement showing percentage of retained profit to net profit after taxation.

(In Percentages)

Type of Ownership/Management	1939	1946	1950	1951	1952	1953
1	2	3	4	5	6	7
Sterling Companies						
(Controlled by Managing Agents/Secretaries etc.)	98.82	72.08	71.57	57.76	54.78	35.39
Rupee Companies						
Under Non-Indian Managing Agents Control						
Partly Non-Indian	100.00	51.32	37.99	43.06	42.75	40.24
Under Indian Managing Agents Control						
Indian	69.61	15.09	29.51	41.44	29.57	31.22
Director Controlled						
Public Ltd.—Indian	17.27	52.24	6.54	30.45	28.63	28.91
All Groups	84.64	53.84	46.64	44.59	41.27	36.58

ANNEXURE XVI (*Contd.*)

Statement 16.

Statement showing percentage of dividend to net profit after taxation.

(In Percentages)

Type of Ownership/Management	1939	1946	1950	1951	1952	1953
1	2	3	4	5	6	7
Sterling Companies						
(Controlled by Managing Agents/Secretaries etc.)	1.18	27.92	28.43	42.24	45.22	64.61
Rupee Companies						
Undee Non-Indian Managing Agents Control						
Partly Non-Indian	...	48.68	62.01	56.94	57.25	59.76
Under Indian Managing Agents Control						
Indian	30.39	84.91	70.49	58.56	70.43	68.78
Director Controlled						
Public Ltd.—Indian	82.73	47.76	93.46	69.55	71.37	71.09
All Groups	15.36	46.16	53.36	55.41	58.73	63.42

ANNEXURE XVI (*Contd.*)

Statement 17.

Statement showing percentage of dividend to paid-up capital

(In percentages)

Type of Ownership/Management	No. of Companies	1939	1946	1950	1951	1952	1953
1	2	3	4	5	6	7	8
Sertling Companies							
(Controlled by Managing Agents/Secretaries etc.)	2	0.18	1.96	4.21	6.32	4.39	5.61
Rupee Companies.							
Under Non-Indian Managing Agents Control							
Partly Non-Indian	2	...	18.53	19.00	29.63	24.08	24.76
Under Indian Managing Agents Control							
Indian	4	5.56	3.89	7.43	9.16	11.32	13.03
Director Controlled							
Public Ltd.—Indian	4	10.11	3.60	11.16	20.65	18.08	20.47
All Groups	12	2.40	6.45	9.26	14.35	13.43	14.72

ANNEXURE XVI. (*Contd.*)

Statement 17 A.

Statement showing percentage of dividend to net worth

(In percentages)

Type of Ownership/Management	No. of Companies	1939	1946	1950	1951	1952	1953
1	2	3	4	5	6	7	8
Sterling Companies							
(Controlled by Managing Agents/Secretaries etc.)	2	0.15	1.40	3.07	4.44	2.92	3.43
Rupee Companies							
Under Non-Indian Managing Agents Control							
Partly Non-Indian	2	...	8.02	7.74	10.46	11.30	10.87
Under Indian Managing Agents Control							
Indian	4	4.55	2.78	4.73	5.48	6.56	7.48
Director Controlled							
Public Limited—Indian	4	8.58	2.30	7.23	11.43	10.32	11.83
All Groups	12	1.86	3.93	5.49	7.74	7.59	7.88

Source:—Balance Sheets.

ANNEXURE XVI (*Contd.*)

Statement 18

Statement showing dividend percentage on face value of ordinary shares-Frequency distribution

(In number of Companies)

Type of Ownership/Management	Total No. of Cos.	1939						1946						1953					
		Nil	Below 10%	10–19%	20–29%	30–39%	40–49%	Nil	Below 10%	10–19%	20–29%	30–39%	40–49%	Nil	Below 10%	10–19%	20–39%	30–39%	40–49%
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Sterling Companies																			
(Controlled by Managing Agents/ Secretaries etc.)	4	...	2	2	...	...	...	...	2	2	...	...	...	...	1	...	2	1	...
Rupee Companies																			
Under Non-Indian Managing Agents Control Partly Non-Indian	3	...	...	3	...	...	...	...	1	...	1	1	...	...	...	1	1	1	...
Under Indian Managing Agents Control																			
Indian	10	2	6	1	...	...	1	3	4	2	1	...	...	...	3	3	2	2	...
Total	17	2	8	6	...	...	1	3	7	4	2	1	...	...	4	4	5	4	...

Source:—Replies to Questionnaire.

ANNEXURE XVII

I. *Important profit ratios of selected rubber plantation companies.*

	27 Companies Controlled by Indians					4 Companies Controlled by Non-Indians				
	1950	1951	1952	1953	1950—53	1950	1951	1952	1953	1950—53
Tax provision as % of profits before tax	33.9	34.7	34.9	34.3	34.4	9.3	11.6	9.1	15.3	11.6
Profits distributed as % of ,, ,, ,,	40.9	42.9	50.9	50.9	46.7	63.8	55.6	56.6	55.4	57.0
Profits retained * as % of ,, ,, ,,	25.2	22.4	14.2	14.9	18.8	26.9	32.7	34.3	29.3	31.4
Profits distributed as % of Profits after tax	61.8	65.7	78.2	77.3	71.3	70.3	63.0	62.2	65.4	64.5
Profits retained* as % of ,, ,, ,,	38.2	34.3	21.8	22.7	28.7	29.7	37.0	37.8	34.6	35.5
Profits after tax as % of Net wroth@	9.3	11.0	10.7	11.3	10.6	12.3	20.8	21.5	18.3	18.5
Gross profits† as % of Total Capital emloyed‡	12.3	14.4	13.4	14.2	13.6	11.7	20.2	20.7	19.1	18.2
Gross Profits† as % of sales	46.8	41.1	42.6	37.4	41.4	29.8	48.7	41.4	39.5	40.3

*Transfers to reserves (other than depreciation and taxation reserves) and profit carried to Balance Sheet.

@Paid-up capital plus all reserves (other than taxation and depreciation reserves) and balance of profits.

† Including Managing Agent's remuneration, interest charges and provision for tax but excluding depreciation.

‡ Net fixed assets and circulating capital.

Source : Reserve Bank.

ANNEXURE XVII *(Contd.)*

II. *Composite income, expenditure and appropriation account of 4 selected rubber plantation campanies.*

CONTROLLED BY NON-INDIANS

(Lakhs of Rupees)

	1950	1951	1952	1953
1	2	3	4	5
Expenditure and Appropriation				
1. Opening Stock of finished goods and work-in-progress	8	7	11	10
2. Cultivation Expenses	17	19	22	22
3. Interest Paid	...	...	...	...
4. Managing Agency Commission	1	1	1	1
5. Bad Debts	...	...	...	...
6. Other Expenses	...	...	1	1
7. Depreciation Provision	1	1	1	1
8. Profits before tax	7	14	16	15
(a) Tax Provision	1	2	1	2
(b) Profits after tax	6	13	14	13
(i) Dividends	5	8	9	8
(ii) Retained Profits*	2	5	5	4
Total	33	42	50	50
Income				
1. Main Income	26	31	40	41
2. Other Income	...	1	1	1
3. Closing Stock of finished goods and work-in-progress	7	11	10	8
Total	33	42	50	50

* Transfers to reserves plus profit carried to balance sheet.

ANNEXURE XVII (*Contd.*)

II. *Composite income, expenditure and appropriation account of 27 rubber plantation companies.*

CONTROLLED BY INDIANS

(Lakhs of Rupees)

	1950	1951	1952	1953
1	2	3	4	5
Expenditure and Appropriations				
1. Opening Stock of finished goods and work-in-progress	15	21	19	27
2. Cultivation Expenses	35	44	51	50
3. Interest Paid	1	1	1	1
4. Managing Agency Commission	3	3	3	3
5. Bad Debts	...	...	...	...
6. Other Expenses	5	6	6	5
7. Depreciation Provision	1	2	2	2
8. Profits before tax	26	33	33	35
(a) Tax Provision	9	11	11	12
(b) Profits after tax	17	21	21	23
(i) Dividends	11	14	17	18
(ii) Retained Profits*	7	7	5	5
Total	86	110	114	123
Income				
1. Main Income	64	90	86	104
2, Other Income	1	1	1	2
3. Closing Stock of finished goods and work-in-progress	21	19	27	17
Total	86	110	114	123

*Transfers to reserves plus profit carried to balance sheet.

Source : Reserve Bank.

ANNEXURE XVIII.

Statement showing estimated requirements of working capital based on the actual working capital employed by the reporting rubber companies during the period 1951 to 1953.

Type of Ownership/ Management	No. of Cos.	1951					1952	
		Planted Acreage	Production (lbs.)	Working Capital in Rs.			Planted Acreage	Production (lbs.)
				Total Amount	Per acre	Per lb.		
1	2	3	4	5	6	7	8	9
Sterling Companies: (Controlled by Managing Agents/Secretaries etc.)	1	4,491	11,80,176	3,34,222	74.42	0.28	4,479	11,89,823
Rupee Companies: *Under Non-Indian Managing Agents Control* Partly Non-Indian	1	4,942	15,40,796	3,67,519	4.37	0.24	5,051	16,60,331
Under Indian Managing Agents Control Indian	9	7,831	23,35,286	7,65,782	7.79	0.41	7,586	26,71,852
Director controlled Private Ltd.-Indian	1	123	35,835	34,127	7.45	0.95	123	40,095
Proprietary & Partnership Concerns Indian	3	1,375	2,26,141	1,55,200	2.87	0.69	1,375	2,88,627
Total	15	18,762	53,18,234	16,56,850	88.31	0.31	18,614	58,50,731

ANNEXURE XVIII. *(Contd.)*

Statement showing estimated requirements of working capital based on the actual working capital employed by the reporting rubber companies during the period 1951 to 1953.

Type of Ownership/ Management	1952 (Contd.) Working Capital in Rs. Total Amount	1952 (Contd.) Working Capital in Rs. Per acre	1952 (Contd.) Working Capital in Rs. Per lb.	1953 Planted Acreage	1953 Production (lbs.)	1953 Working of Capital in Rs. Total Amount	1953 Working of Capital in Rs. Per acre	1953 Working of Capital in Rs. Per lb.	Average for years 1951-52 Per acre (in Rs.)	Average for years 1951-52 Per lb. (Rs.)
	10	11	12	13	14	15	16	17	18	19
Sterling Companies: (Controlled by Managing Agents/Secretaries etc.	3,89,920	87.05	0.33	4,486	12,27,669	4,00,231	89.22	0.33	83.56	0.31
Rupee Companies: Under Non-Indian Managing Agents Control Partly Non-Indian	4,34,480	86.02	0.26	5,167	16,08,848	4,69,969	90.96	0.29	83.90	0.26
Under Indian Managing Agents Control Indian	8,97,594	118.32	0.34	7,358	25,09,372	9,45,639	128.52	0.38	114.55	0.35
Director Controlled Public Non-Indian	33,038	268.60	0.82	123	31,208	31,309	254.54	1.00	266.93	0.92
Proprietary & Partnership Concerns Indian	1,78,465	129,79	0.62	1,375	3,34,211	2,17,318	158.05	0.65	133.57	0.65
Total	19,33,497	103,87	0.33	18,509	57,03,508	20,64,466	111.54	0.36	101.19	0.35

Source : Returns from Estates.

ANNEXURE XIX

Statement showing estimated requirements of future capital expenditure for five years, furnished by rubber estates.

(Figures in clos. 3 to 10 in Rs.)

Name of company	Planted acreage	Plantation	Building	Machinery	Labour housing	Hospitals	Others	Total	Capital expend-iture per acre.
1	2	3	4	5	6	7	8	9	10
Sterling companies									
1.	4,686	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	9,03.300	201.36
Rupee companies under Non-Indian Managing Agents.									
1.	1,064	2,25,000	...	1,50,000*	...	...	...	3,75,000	352.44
2.	4,249	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	31,33,888	737.56
Total	5,313	..						35,08,888	660,43

*For building, machinery & equipment

N. A : Not Available

ANNEXURE XIX (*Contd.*)

Statement showing estimated requirements of future capital expenditure for five years, furnished by rubber estates

(Figures in cols. 3 to 10 in Rs.)

Name of company	Planted acreage	Plantation	Building	Machinery	Labour housing	Hospitals	Others	Total	Capital expend-iture per acre.
1	2	3	4	5	6	7	8	9	10
Ruppee companies under Indian Managing Agents.									
1.	759	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	5,00,000	658.76
2.	500	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	5,00,000	1000.00
3.	542	2,00,00	10,000	...	17,500	...	...	2,27,500	419.74
4.	814	4,40,000	50,000	45,000	...	...	35,000	5,70,000	700.25
5.	618	...	...	30,000	...	...	...	30,000	48.54
6.	1,145	5,75,000	...	42,000	...	...	...	6,17,000	538.86
7.	1,454	8,00,000	25,000	...	37,500	...	...	8,62,500	593.19
Total.	5,832							33,07,000	567.04

N.A. : Not Available

Name of company	Planted acreage	Plantation	Building	Machinery	Labour housing	Hospitals	Others	Total	Capital expend-iture per acre.
Director Controlled Ltd. companies-Indian.									
1.	505	2,00,000	...	...	...	...	...	2,00,000	396.04
2.	200	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	50,000	250.00
3.	230	1,40,000	12,500	...	...	...	...	1,52,500	663.04
4.	123	15,000	...	2,500	30,000	...	2,250	49,750	404.47
Total	1,058							4,52,250	427.45
Total for the company sector.	1,689							81,71,438	489.63

ANNEXURE XIX *(Contd.)*

Statement showing estimated requirements of future capital expenditure for five years, furnished by rubber estates.

(Figures in cols. 3 to 10 in Rs.)

Name of company	Planted acreage	Plantation	Building	Machinery	Labour housing	Hospitals	Others	Total	Capital expenditure per acre.
1	2	3	4	5	6	7	8	9	10
Proprietary & Partnership Concerns Indian.									
1.	272	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	3,00,000	1102.94
2.	109	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1,72,000	1578.00
3.	366	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	5,07,500	1386.61
4.	104	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1,00,000	951.34
5.	113	50,000	...	...	30,000	...	...	80,000	707.96
6.	469	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	3,68,350	785.39
7.	237	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1,00,000	348.43
8.	851	4,00,000	2,500	...	25,000	...	...	4,27,500	502.35
9.	148	1,00,440	...	5,000	21,000	...	...	1,26,410	854.32
Total	2,719							21,81,790	802.42
Grand Total.	19,4[illegible]8							1,03,53,228	533.45

N.A. : Not Available

Source : Returns from Estates.

ANNEXURE XX

I. Statement showing details of rubber planting material used according to types of management.

Type of Ownership/Management	Total reported acreage	Acreage planted with			
		Ordinary seedling	Clonal seedling	Budded seedling	Mixed
1	2	3	4	5	6
Sterling companies (Controlled by Managing Agents/Secretaries etc.)	21,302	12,934 (60.72)	2,628 (12.34)	4,459 (20.93)	1,281 (6.01)
Non-Indian Managing Agents Control Non-Indian	502	163 (32.47)	...	225 (44.82)	114 (22.71)
Partly Indian & Partly Non-Indian	12,249	8,339 (68.08)	347 (2.83)	3,563 (29.09)	...
Indian Managing Agents Control Indian	7,214	4,735 (65.64)	295 (4.09)	2,184 (30.27)	...
Outside Managing Agents Control Public Limited.-Indian	353	329 (93.21)	...	24 (6.79)	...
Private Limited.-Indian	670	590 (88.06)	22 (3.28)	58 (8.66)	...
Proprietary & Partnership Concerns Indian	5,719	4,210 (73.61)	924 (16.16)	585 (10.23)	...
All-India	48,009	31,300 (65.20)	4,216 (8.78)	11,093 (23.12)	1,395 (2.90)

Note:—Figures in brackets are percentages to reported acreage. Source : **Returns from Estates.**

ANNEXURE XX (*Contd.*)

A. Statement showing ages of rubber plants.

(Region-wise)

Region	Reported Acreage	Acreage Planted				
		Before 1900	Between 1900 & 1910	Between 1910 & 1920	Between 1920 & 1930	After 1930
1	2	3	4	5	6	7
T. C. State	36,791	...	7,304 (19.85)	9,915 (26.95)	5,614 (12.26)	13,958 (37.94)
Coorg	110	...	110 (100.00)	...	...	...
Madras	11,108	...	1,375 (11.84)	3,572 (32.16)	1,105 (9.95)	5,056 (46.05)
All-India	48,009 ...	... ...	8,789 (18.31)	13,487 (28.09)	6,719 (14.00)	19,014 (39.60)

Note: Figures in brackets are percentages to reported acreage.
Source: Returns from Estates.

ANNEXURE XX (*Contd.*)

B. Statement showing ages of rubber plants.
(Management-wise)

Type of Ownership/Management	Reported Acreage	Acreage Planted				
		Before 1900	Between 1900 & 1910	Between 1910 & 1920	Between 1920 & 1930	After 1930
1	2	3	4	5	6	7
Sterling Companies						
(Controlled by Managing Agents/Secretaries etc.)	21,302	...	3,733 (17.52)	4,854 (22.79)	3,498 (16.42)	9,217 (43.27)
Rupee companies under Non-Indian Managing Agents Control						
Non-Indian	502	...	171 (34.06)	...	...	331 (66.94)
Partly Indian & Partly Non-Indian	12,249	...	1,337 (10.0[illegible])	5,264 (42.98)	1,572 (12.83)	4,076 (34.10)
Indian Managing Agents Control						
Indian	7,214	...	2,054 (28.47)	1,831 (25.38)	608 (8.43)	2,721 (37.72)
Outside Managing Agents Control						
Public Limited-Indian	353	...	...	81 (22.95)	200 (56.66)	72 (20.39)
Private Limited-Indian	670	...	...	202 (30.15)	268 (40.00)	200 (29.85)
Proprietary & Partnership Concerns						
Indian	5,719	...	1,494 (26.12)	1,255 (21.94)	573 (10.02)	2,397 (41.92)
All Groups	48,009	...	8,789 (18.31)	13,487 (28.02)	6,719 (14.00)	19,0[illegible]4 (39.60)

Note: Figures in brackets are percentages to reported acreage.

Source: Returns from Estates.

ANNEXURE XX (*Contd.*)

C. Statement showing new planting, replanting and area abandoned in different regions during the ten years ending 1953.

(Figures in columns 2 to 7 in acres)

Region	Reported Acreage	New Planting		Replanting	Total (3+4+5)	Acreage abandoned
		Virgin Land	Reclaimed Land			
1	2	3	4	5	6	7
Madras	11,437.40	2,026.94 (17.72)	37.75 (0.33)	505.48 (4.42)	2,570,17 (22.47)	275.00 (2.40)
T. C. State	37,063.38	523.79 (1.41)	175.83 (0.47)	5,534.51 (14.93)	6,234,13 (16.81)	546.50 (1.47)
Mysore	129.40	...	...	...	...	...
Coorg	109.50	...	...	...	...	7.50 (6.88)
Total	48,740.18	2,550,73 (5.23)	213.58 (0.44)	6,039.99 (12.39)	8,804.30 (18.05)	829.00 (1.70)

Note :—Figures in brackets are percentages of reported acreages.

Source : Returns from Estates.

ANNEXURE XX *(Contd.)*

D. Statement showing new planting, replanting and area abandoned during the ten years ending 1953 according to types of management.

(Figures in columns 2 to 7 in acres)

Type of Ownership/Management	Reported Acreage	New Planting		Replanting	Total (3+4+5)	Area abandoned
		Virgin Land	Reclaimed land			
1	2	3	4	5	6	7
Sterling Companies:						
(Controlled by Managing Agents/Secretaries etc.)	21,302.74	172.59 (0.81)	...	3,994.47 (18.75)	4,167.06 (19.56)	342.75 (1.61)
Rupee companies under Non-Indian Managing Agents Control						
Non-Indian	502.33	...	...	90.59 (18.03)	90.59 (18.03)	...
Partly Indian and Partly Non-Indian	12,318.31	940.21 (7.63)	114.85 (0.93)	961.79 (7.81)	2,016.85 (16.37)	...
Indian Managing Agents Control						
Indian	7,541.89	1,005.93 (13.33)	8.73 (0.12)	182.14 (2.41)	1,196.80 (15.86)	443.75 (5.88)
Outside Managing Agents Control						
Public Ltd.-Indian	432.00	...	...	...	...	...
Private Ltd. Indian	670.00	200.00 (29.85)	...	58.00 (8.65)	258.00 (38.50)	...
Proprietary & Partnership Concerns						
Indian	5,972.91	232.00 (3.88)	90.00 (1.51)	753.00 (12.61)	1,075.00 (18.00)	42.50 (0.71)
All Groups.	48,740.18	2,550.73 (5.23)	213.58 (0.44)	6,039.99 (12.39)	8,804.30 (18.06)	829.00 (1.70)

Note:—Figures in brackets are percentages of reported acreage.

Source : Returns from Estates.

ANNEXURE XX (*Contd.*)

E. *Cost of new planting one acre of rubber on virgin jungle and tending for 8 years.*

(Analysis by number of returns)

1940

Cost in Rs.	Madras	T. C. State	Mysore	Coorg	All-India
1	2	3	4	5	6
0—499	...	...	...	...	...
500—999	...	3	...	...	3
1000 & above	...	...	...	...	...
Total number of returns	...	3	...	...	3

1945

Cost in Rs.	Madras	T.C. State	Mysore	Coorg	All-India
1	2	3	4	5	6
0—499	...	...	...	...	...
500—999	5	3	...	...	8
1000—1499	1	2	...	...	3
1500—1999	...	1	...	...	1
2000—2499	...	1	...	...	1
2500 & above	...	...	...	...	...
Total number of returns	6	7	...	...	13

ANNEXURE XX (*Contd.*)

Estimated present cost of new planting one acre of rubber on virgin jungle and tending for 8 years.

(Analysis by number of returns)

Cost in Rs.	Madras	T. C. State	Mysore	Coorg	All-India
1	2	3	4	5	6
0–499	...	...	...	...	...
500—999	1	1	...	...	2
1000—1499	2	6	...	...	8
1500–1999	5	9	1	1	16
2000—2499	...	2	...	...	2
2500–2999	...	2	...	...	2
3000—3499	1	1	...	...	2
3500 & above	...	...	...	...	...
Total number of returns	9	21	1	1	32

ANNEXURE XX (*Contd.*)

F. *Cost of new planting one acre of rubber on reclaimed land and tending for 8 years.*

(Analysis by number of returns)

1940

Cost in Rs.	Madras	T. C. State	Mysore	Coorg	All-India
1	2	3	4	5	6
0—499	...	...	...	...	...
500—999	...	...	...	...	...
1000—1499	1	...	...	...	1
1500 & above	...	...	...	...	...
Total number of returns	1	...	...	...	1

ANNEXURE XX (*Contd.*)

Cost of new planting one acre of rubber on reclaimed land and tending for 8 years.

(Analysis by number of returns)

1945

Cost in Rs.	Madras	T. C. State	Mysore	Coorg	All-India
1	2	3	4	5	6
0—499	...	1	...	...	1
500—999	...	...	...	...	...
1000—1499	...	...	...	...	...
1500—1999	...	...	...	...	...
2000—2499	...	...	...	...	...
2500—2999	...	1	...	...	1
3000 & above	...	...	...	...	...
Total number of returns	...	2	...	...	2

ANNEXURE XX (*Contd.*)

Estimated present cost of new planting one acre of rubber on reclaimed land and tending for 8 years.

(Analysis by number of returns)

Cost in Rs.	Madras	T. C. State	Mysore	Coorg	All-India
1	2	3	4	5	6
0—499	...	...	...	...	...
500—999	...	1	...	...	1
1000—1499	3	8	...	...	11
1500—1999	...	2	...	...	2
2000—2499	...	...	...	...	...
2500—2999	...	...	...	...	...
3000—3499	...	1	...	...	1
3500 & above	...	...	...	...	...
Total number of returns	3	12	...	...	15

ANNEXURE XX (*Contd.*)

G. *Cost of replanting one acre of rubber and tending for 8 years.*

(Analysis by number of returns)

1940

Cost in Rs.	Madras	T. C. State	Mysore	Coorg	All-India
1	2	3	4	5	6
0—499	1	...	...	...	1
500—999	1	...	...	...	1
1000—1499	...	1	...	...	1
1500 & above	...	...	...	...	...
Total number of returns	2	1	...	...	3

1945

Cost in Rs.	Madras	T. C. State	Mysore	Coorg	All-India
1	2	3	4	5	6
0—499	...	...	...	...	...
500—999	2	1	...	...	3
1000—1499	1	1	...	...	2
1500—1999	...	...	...	...	...
2000—2499	...	1	...	...	1
2500—2999	...	...	...	...	...
3000 & above	...	...	...	...	...
Total number of returns	3	3	...	...	6

ANNEXURE XX (*Contd.*)

Estimated present cost of replanting one acre of rubber and tending for 8 years.

(Analysis by number of returns)

Cost in Rs.	Madras	T. C. State	Mysore	Coorg	All-India
1	2	3	4	5	6
0—499	...	2	...	...	2
500—999	...	1	...	...	1
1000—1499	3	9	...	...	12
1500—1999	...	4	...	...	4
2000—2499	...	...	...	...	...
2500—2999	...	...	...	...	...
3000—3499	...	1	...	...	1
3500 & above	...	...	...	...	...
Total number of returns	3	17	...	...	20

ANNEXURE XX (*Contd.*)

H. *Statement showing details of rubber plant material used.*

(Region-wise)

Region	Total reported acreage	Acreage planted with			
		ordinary seedlings	clonal seedling	budded seedling	Mixed
1	2	3	4	5	6
T. C. State	36,791 (100)	23,405 (63.61)	4,162 (11.31)	7,829 (21.28)	1,395 (3.80)
Coorg	110 (100)	110 (100)	...	...	...
Madras	11,108 (100)	7,785 (70.08)	54 (0.49)	3,269 (29.43)	...
All India	48,009	31,300 (65.20)	4,216 (8.78)	11,098 (23.12)	1,395 (2.90)

Note :—Figures in brackets are percentages to reported acreage.

Source:—Returns from Estates.

ANNEXURE XXI

Statement showing ages of rubber plants.

Name of company	Reported Acreage	Planted Acreage: Before the years 1900	Between 1900 & 1910	Between 1910 & 1920	Between 1920 & 1930	Between 1930 & 1943	Between 1943 & 1953	Working funds per acre (in Rs.)
1	2	3	4	5	6	7	8	9
Sterling Companies.								
1.	467 (100.00)	...	201 (43.04)	257 (55.03)	9 (1.93)	Nil	Nil	225.98
2.	1,281 (100.00)	...	...	214 (16.74)	256 (19.99)	810 (63.27)	Nil	535.35
3.	19,554 (100.00)	...	3,532.35 (18.06)	4,382.50 (22.42)	3,233.17 (15.53)	4,239.30 (21.68)	4.167.06 (21.31)	397.45
Rupee company : Under Non-Indian Manging Agents.								
1.	502 (100.00)	...	170.25 (33.99)	... ...	...	240.41 (47.92)	90.59 (18.09)	406.91
2.	3,447 (100.00)	...	689.40 (20.00)	1,516 (44.00)	...	607.51 (17.62)	633.41 (18.38)	223.64
3.	797 (100.00)	...	...	175 (21.93)	494.13 (61.94)	58.80 (7.39)	69.20 (8.69)	340.06
4.	1,090 (100.00)	...	...	349.30 (32.05)	240 (22.02)	271.07 (24.85)	222.93 (21.08)	280.49
5.	1,607 (100.00)	...	383 (23.82)	654.39 (40.72)	305 (13.98)	78.80 (4.90)	186.20 (11.58)	276.55
6.	6,303 (100.00)	...	265 (4.99)	2,568.31 (48.39)	533 (10.04)	1,042.89 (19.65)	898.11 (16.93)	257.56

ANNEXURE XXI (*Contd.*)

Statement showing ages of rubber plants.

Name of Company	Reported Acreage	Planted Acreage						Working funds per acre. (in Rs.)
		Before the years 1900	Between 1900 & 1910	Between 1910 & 1920	Between 1920 & 1930	Between 1930 & 1943	Between 1943 & 1953	
1	2	3	4	5	6	7	8	9
Rupee companies : Under Indian Managing Agents.								
1.	814 (100.00)	...	285 (35.01)	65 (7.99)	460 (56.51)	4.00 (.49)	Nil	290.91
2.	199 (100.00)	...	...	199 (100.00)	...	Nil	Nil	271.76
3.	1,403 (100.00)	...	1,133 (80.75)	...	...	270.00 (19.25)	Nil	...
4.	515 (100.00)	...	275 (53.40)	82 (15.92)	31 (6.02)	127.00 (24.66)	Nil	82.61
5.	1,688 (100.00)	...	...	826.60 (48.95)	...	720.52 (42.69)	140.87 (8.36)	638.69
6.	500 (100.00)	...	...	...	...	...	500.00 (100.00)	...
7.	1,337 (100.00)	...	361 (27.00)	...	27 (2.02)	393.07 (29.40)	555.93 (41.58)	36.50
Director Controlled Public Ltd-Indian.								
1.	230 (100.09)	...	...	30.5 (35.00)	92 (40.00)	57.50 (25.00)	Nil	96.81
2.	123 (100.00)	...	...	...	108 (87.85)	15.00 (12.15)	Nil	301.48
Director Controlled Private Ltd-Indian.								
1.	470 (100.00)	...	...	202 42.90)	268 (57.02)	...	58 (12.34)	375.31
2.	200 (100.00)	...	...	...	...	...	200.00 (100.00)	...

ANNEXURE XXI. *(Contd.)*

Statement showing ages of rubber plants.

Name of Company	Reported Acreage	Planted Acreage						Working funds per acre. (in Rs.)
		Before the years 1900	Between 1900 & 1910	Between 1910 & 1920	Between 1920 & 1930	Between 1930 & 1943	Between 1943 & 1953	
1	2	3	4	5	6	7	8	9
Proprietary/Partnership Concerns. Indian.								
1.	287 (100.00)	...	...	287 (100.00)	...	...	10 (0.50)	...
2.	104 (1000.00)	...	...	104 (100.00)	...	Nil	Nil	...
3.	135 (100.00)	...	...	100 (74.07)	35 (25.93)	...	...	...
4.	105 (100.00)	...	...	...	40 (38.10)	25 (23.80)	40 (38.10)	...
5.	469 (100.00)	...	...	268 (60.98)	...	183.00 (39.02)	N.A.	...
6.	148 (100.00)	...	...	...	83.70 (56.55)	4.30 (2.91)	60.00 (40.54)	...
7.	726 (100.00)	...	...	414 (57.00)	51.00 (7.00)	99.50 (13.70)	162 (22.30)	...
8.	851 (100.00)	...	681 (80.02)	...	...	170.00 (19.98)	170	...
9.	1,605 (100.00)	...	337 (21.00)	64 (3.99)	273 (17.01)	201.00 (12.52)	730 (45.48)	...
10.	113 (100.00)	...	...	..	90 (79.65)	13.00 (11.50)	10 (8.85)	...
11.	366 (100.00)	...	365 (100.00)	...	...	...	...	...
12.	700 (100.00)	...	...	...	...	700 (100.00)	...	...
13.	110 (100.00)	...	110 (100.00)	...	...	...	...	...

N. A. : Not Available

Source : Returns from estates.

ANNEXURE XXII.

Statement showing the distribution of mature and immature area under rubber in the case of some selected rubber plantation companies in 1953.

Serial No. of the company.	Area of mature rubber	Area of immature rubber
1	2	3
Rupee companies controlled by Indian.		
1.	467	...
2.	395	...
3.	936	250
4.	1,152	...
5.	892	180
6.	589	...
7.	871	35
8.	1,230	137
9.	2,462	60
lo.	597	23
11.	1,178	276
12.	1,145	58
13.	815	...
14.	1,531	156
15.	178	80
Rupee companies controlled by Non-Indian		
16.	4,367	778
17.	829	207
18.	1,606	148
19.	728	105

Source : Reserve Bank

ANNEXURE XXIII (*Contd.*)

A. Statement showing area of new plantings since 1938 and planted material used.

(In Acres)

Year of Planting	Area under			Total
	Ordinary Seedlings	Buudded Seedlings	Clonal Seedlings	
1	2	3	4	5
Earlier to 1938	98,738.68	5,458,42	333.73	1,04,530.83
In 1938	654.71	485.30	14.61	1,154.62
,, 1939	1,130.46	1,458,14	526.74	3,115.34
,, 1940	1,691.91	1,070.60	516.72	3,279.23
,, 1941	826.85	113.10	30.67	970.62
,, 1942	2,972.26	485.18	451.31	3,908.75
,, 1943	10,543.45	2,654.36	1748.78	14,946.59
,, 1944	8,810.72	1,105.13	1353.51	11,269.36
,, 1945	8,123.46	816.58	2637.28	11,577.32
,, 1946	4,260.78	406.20	702.25	5,369.23
,, 1947	4,854.76	470.75	486.04	5,811.55
,, 1948	3,206.28	153.78	123.84	3,483.90
,, 1949	1,832.62	94.91	190.99	2,118.52
,, 1950	1,116.32	7.00	101.67	1,224.99
,, 1951	493.44	376.08	238.68	1,039.20
,, 1952	864.25	362.87	295.40	1,522.52
,, 1953	1,333.16	430.25	846.61	2,610.02
,, 1954	4,593.87	752.60	2190.17	7,536.64
,, 1955	5,133.57	374.67	1007.17	6,515.41
Total	1,61,181.55	17,006.92	13,796.17	1,91,984.64

ANNEXURE XXIII (*Contd.*)

B. Statement showing area of replanting since 1938 and planting material used.

(In Acres)

Year of Planting	Area under			Total
	Ordinary Seedlings	Budded Seedlings	Clonal Seedlings	
1	2	3	4	5
Earlier to 1938	17.30	1,890.60	—	1,907.90
In 1938	5.00	790.80	—	795.80
,, 1939	83.28	864.62	—	947.90
,, 1940	106.43	792.31	—	898.74
,, 1941	...	1,199.69	56.00	1,255·69
,, 1942	218.80	1,899.32	59.90	2.178.02
,, 1943	192.10	112.90	—	305.00
,, 1944	527.50	404.71	—	932.21
,, 1945	54.47	—	67.02	161.49
,, 1946	233.50	170.49	15.14	419.13
,, 1947	77.00	428.32	...	505.32
,, 1948	200.45	364.62	70.51	635.58
,, 1949	49.69	210.86	49.00	309.55
,, 1950	507.70	253.76	290.36	1,101.82
,, 1951	19.00	381.31	256.23	656.54
,, 1952	299.71	328.61	298.09	836.41
,, 1953	15.50	349.46	303.20	668.16
,, 1954	70.94	247.14	386.25	704.33
,, 1955	...	35.00	0.75	350.75
Total	2,678.37	10,724.52	1,852.45	15,255.34

ANNEXURE XXIII—C (*Contd.*)

C. *Statement showing the areas replanted and the type of planting materials used by estates and small holders as on 31st December, 1954.*

Year of Planting	Estates				Small Holdings				Total of Estates & Small Holdings
	Ordinary Seedling	Budding	Clonal Seedling	Total	Ordinary Seedling	Budding	Clonal Seedling	Total	
1	2	3	4	5	6	7	8	9	10
Planted earlier than 1938	9.30	1890.60	...	1899.90	8.00	...	...	8.00	1907.90
Planted in 1938	...	790.80	...	790.80	5.00	...	...	5.00	795.80
,, ,, 1939	66.28	839.62	...	905.90	17.00	25.00	...	42.00	917.90
,, ,, 1940	86.50	792.31	...	878.81	19.93	...	...	19.93	898.74
,, ,, 1941	...	1182.91	56.00	1238.91	...	16.78	...	16.78	1255.69
,, ,, 1942	188.80	1874.32	59.90	2123.02	30.00	25.00	...	55.00	2178.02
,, ,, 1943	142.10	112.90	...	255.00	50.00	...	...	50.00	305.00
,, ,, 1944	527.50	404.71	...	932.21	...	...	...	...	932.21
,, ,, 1945	81.30	...	67.02	148.32	13.17	...	...	13.17	161.49
,, ,, 1946	233.50	170.49	15.14	419.13	...	...	...	...	419.13
,, ,, 1947	77.00	428.32	...	505.32	...	...	...	...	505.32
,, ,, 1948	189.48	364.62	70.51	624.61	10.97	...	...	10.97	635.58
,, ,, 1949	47.19	210.86	49.00	307.05	2.50	...	...	2.50	309.55
,, ,, 1950	549.45	245.76	275.36	1070.57	8.25	8.00	15.00	31.25	1101.82
,, ,, 1951	14.00	381.31	219.17	614.48	5.00	...	37.06	42.06	656.54
,, ,, 1952	190.46	328.61	285.31	844.38	19.25	...	12.78	32.03	836.41
,, ,, 1953	...	349.46	240.47	589.93	15.50	...	61.13	76.63	666.56
,, ,, 1954	39.00	166.64	301.14	506.78	15.26	24.00	52.11	91.37	598.15
Total	2441.86	10534.24	1639.02	14615.12	219.83	98.78	178.08	496.69	15111.81

Source : Rubber Board.

ANNEXURE XXIV.

A. *Statement showing the indebtedness of small holders of rubber.*

Type of Rubber Holdings	Holdings free fr m indebtedness.			Holdings indebted						
	No. of Holders.	Acreage		No. of Holders.	Original amount borrowed			Amount repaid	Amount outstanding per as (Rs.)	
		Under Rubber	Total		Areage Under Rubber	Areage Total	Amount (Rs.)		Amount (Rs.)	per acre of Total area
1	2	3	4	5	6	7	8	9	10	11
Less than 25 acres*	10	111	283	11	63	125	21,700	...	19,300	68.2
Above 25 acres and below 100 acres.	4	176	310	1	53	120	7,000	...	7,000	58.3
Total	14	287	593	12	116	245	28,700	29,00**	26,300	107.4

* Refers to rubber area ** Partly loan & partly interest.

B. *Statement showing the sources and the amount of loan borrowed by small holders of rubber.*

(In Rs.)

Type of Holdings	No. of Holders	Am unt borrowed from				
		Private money Lenders	Banks.	Dealers	Others	Total
1	2	3	4	5	6	7
Less than 25 acres.*	11	11,300	6,700	500	3,200	21,700
Above 25 acres & below 100 acres.	1	...	..	...	...	7,000**
Total	12	11,300	6,700	550	3,200	28,700

*Refer rubber area. ** Break-up not available. Note : All loans are contracted after 1949, except Rs 3000 contracted in 1948

Source: Replies collected by the Field Staff of the Rubber Board.

APPENDICES

LIST OF APPENDICES

I. List of rubber companies who have responded to our question naire.

II. Extractes from the Report of the Cost Accountant, Ministry of Finance on the cost of production of rubber in respect of selected estates.

APPENDIX I

Statement showing the names of rubber companies who have responded to our questionnaire.

Name of Managing Agents/Secretaries in India	Name of companies	Name of estates	Acreage
1	2	3	4
	A. Sterling companies working in India		
M/S Peirce, Leslie & Co. Ltd.	1 Kerala Calicut Estates Ltd.	Kerala Estate, Calicut Estate and Chemoni Estate.	4,471
Rowe, White & Co. Ltd.	2 The Poonmudi Tea and Rubber Co., Ltd.	Bonaccord Estate and Braemore.	467
Harrisons and Crosfield Ltd.	3. Malayalam Plantations Ltd.	Venture, Nagamallay, Isfield, Ambannad, Koney, Cheruvally, Kumbazha, Lahai, Mundakayam, Kaliyar, Mooply, Kundi and Arrapetta.	19,746
Darrag, Smail & Co., Ltd	4 Mundakayam Valley Rubber Co., Ltd.	Kutiku.	1,281
	B. Rupee Non-Indian company under Non-Indian Managing Agents contorl.		
Aspinwall & Co. (Travancore) Ltd.	1 Murphy Estates Ltd.	Yendayar Estate.	502

APPENDIX I (*Contd.*)

Statement showing the names of rubber companies who have responded to our questionnaire.

Name of Managing Agents/Secretaries in India	Name of companies	Name of estates	Acreage
1	2	3	4
	C. Rupee companies—Partly Indian and partly Non- Indian under Non-Indian Managing Agents control.		
Aspinwall & Co. Ltd.	1 The Pullangod Rubber and Produce Co., Ltd.		1,755
Aspinwall and Co. (Travancore) Ltd.	2 The Travancore Rubber and Tea Co. Ltd.	Manikal, Paloor. Aneikulam, Kadamandalam, Kuppakayam.	3,447
M/S Peirce, Leslie and Co., Ltd.	3 The Thirumbadi Rubber Co., Ltd.	Thirumbadi and Neeleswaram Estate.	1,090
	4 The Cochin Malabar Estates Ltd.	Kinalur Estate, Kuttiadi Estate, Eddivanna Estate, Pudukad Estate, Sampaji Estate.	5,145
Harrisons and Crosfield Ltd.	5 The Vaikundam (Travancore) Rubber Co., Ltd.	Vaikundam Estate.	797
	D. Rupee companies under Indian Managing Agents control.		
Young India Agencies Ltd.	1 Balanoor Tea and Rubber Co., Ltd.	Balehonnur Rubber Estate.	129
M/S Agencies Ltd. Ernakulam-1.	2 United Rubber Ltd.	Poonchola Estate.	500

APPENDIX I (*Contd.*)

Statement showing the names of rubber companies who have responded to our questonnaire.

Name of Managing Agents/Secretaries in India	Name of companies	Name of estates	Acreage
1	2	3	4
	D. Rupee companies under Indian Managing Agents control. (*Contd.*)		
M/S A. V. Thomas and Co., Ltd.	3 The Kalpetta Estates Ltd.	Poonoor Estate.	869
	4 The Anandam Rubber Co., Ltd.	The Kannambra Rubber Estate.	329
The Kalladi Corporation Ltd.	5 The Mannarghat Rubber Estates Ltd.	Mannarghat Estate.	429
The Associated Planters Ltd.	6 The Nilambur Rubber Co., Ltd.	Nilambur Estate, Glencoorg Estate.	936
	7 The Cottanad Plantations Ltd.	Vellimalai Estates, Tamarachery and Cottanad Estate.	455
MIS M. C. Mathew and Co., Ltd.	8 Mangalam Plantations Ltd.	Mangalam Estate.	120
M/S A. V. George and Co., Ltd.	9 The Kailas Rubber Co., Ltd.	Pathanapuram and Paalali Estates.	656
	10 The Nenmeny Rubber and Produce Co., Ltd.	Nenmeny and Eldorado Estate.	1,366
	11 The Thamarapaily Ruhber Co., Ltd.	Thamarapally and Malayakal Estates.	467
M/S E. Krishna Menon annd Co., Ltd.	12 The Vaniampara Rubber Co., Ltd.	Vaniampara Estate.	759

APPENDIX I (*Contd.*)

Statement showing the names of rubber companies who have responded to our questionnaire.

Name of Managing Agents/Secretaries in India	Name of companies	Name of estates	Acreage
1	2	3	4
	D. Ruppee companies under Indian Managing Agents control (Coutd.)		
Eas-t Indian Agencis Ltd.	13 Teekoy Rubbers (India) Ltd.	Teekoy and Poonjar Estates,	1,403
	14 Karihode Rubbers Ltd.	Velliamathom Estate.	542
M/S Harrisons and Crosfield Ltd.	15 The Sherneilly Rubber and Cardamon Estate.	Sherneilly Estate.	403
Ooppoottil Kurian and Co., Ltd.	16 The Velimalai Rubber Co., Ltd.	Valimalai Estate.	1;061
M/S John Sons' Estates and Agencies Ltd.	17 The Malankara Rubber and Produce Co. Ltd.	Malankara Estate.	1,889
	E. Director controlled Public Ltd. companies.-Indian		
	1 The Valparai Rubbers Ltd.	Analy Estate.	182
	2 The Kuttanad Rubber Co.. Ltd.	Payhoothadam Estate.	598
	3 The Ponmudi Rubbers Ltd.	Nooracre Etate.	126
	4 The Vanchinad Rubber and Produce Co., Ltd.	Chemmani Estate.	230

APPENDIX I (*Contd.*)

Statement showing the names of rubber companies who have responded to our questionnaire.

Name of Managing Agents/Secretaries in India	Name of companies	Name of estates	Acreage
1	2	3	4
	E. Director coutrolled Public Ltd. companies-Indian. (Contd.)		
	5 The Penins-ular Plantations Ltd.	Kanthimathy Estate.	546
	6 The West Coast Industrial Co., Ltd.	Arayanpara Estate.	434
	7 The Tropical Plantation Ltd.	Chittadi, Vengathanam, Vellanadi	1,816
	8 The Travancore Rubbers Ltd.	Erumeley and Choati Estates.	1,203
	F. Director controlled Private Ltd. compauies-Indian		
	1 The Kuttanad Cardamons Ltd.	Thindoorkandy Estate.	3000
	2 Karimba Plantations Ltd.	Karimba Estate.	200
	3 Padinjarekara Estates Ltd.	Chenpaddy, Chempakapara, Anakulam and Komala Estates.	563
	4 Pothanikat Combines Ltd.	Parappanchira and Chempikode Estates.	524

APPENDIX I (*Contd.*)

Statement showing the names of rubber companies who have responded to our questionnaire

	Name of concern	Acreage
	1	2
	G. Proprietary and Partnership concerns—Indian	
1	Mariapuram Estate, Puthupady, Calicut	700
2	Glenrock Rubber Estate	366
3	Sivapuram Rubber Estate	90
4	Powathil Estate	100
5	Kottamala Rubber Estate	110
6	St. Mary's Rubber Estate	120
7	Inchikkunnu Estate	250
8	The Kainakary Rubber Estate	250
9	Ramapuram Estate and Chickenhully Estate	110
10	The Andaman Rubber Plantations	297
11	Pareekanni Estate	726
12	Kudukkavally Rubber Estate	135
13	The Bethany Rubber Estate	104½
14	Periyar Estate	851
15	Kandankulam Estate	469
16	The Trust Luiz Estate	287
17	St. Thomas Estate	104
18	Cherupus-hapam Estate	113
19	Chuzhupil Rubber Estate	148
20	Ratnagiri Estate	260
21	Kottarakkara	50
22	Vellanikkara and Thattil Rubber Estate	1,605
23	Palapara Estate	160
24	Good Hope Estate	231
25	Konthalavally Estate	110

APPENDIX I (*Contd.*)

Statement showing the names of rubber companies who have responded to our questionnaire

	Name of concern	Acreage
	1	2
26	Karuvallicadu Estate	140
27	Mangalam Estate	104
28	Ponmala Estate	128
29	Sivalokam Estate	471
30	Plapally Estate	134
31	Loyola Estate	146
32	Anathanam Estate	145
33	Glayanad Rubber Estate	185
34	Bharathan Hills Estate, Kanakamalai Estate, Santhimath Estate	192
35	Pothukuzhi Estate	...
	H. Proprietary and Partnership concerns—Non-Indian	
1	Mappadam Rubber Estates	334

APPENDIX II

Average cost for 100 lbs. of Rubber.

Particulars.	1950			1951	
	Companies	Private	All-in average	Companies	Private
A. Cultivation.					
1. General Field Works.	1.59	3.61	1.78	1.90	3.74
2. Filling-in vacancies.	0.17	...	0.16	...	...
3. Manuring.	0.95	.20	0.88	1.63	0.41
4. Spraying & Dusting.	6.10	3.17	5.81	7.74	3.70
5. Other Pest Control measures.	0.37	0.11	0.35	0.48	0.18
Total.	9.18	7.09	8.98	11.75	8.03
B. Charges for Collecting Rubber.					
6. Tapping & Collection.	19.29	23.77	19.72	20.77	29.36
7. Other Sundry Charges.	0.53	0.47	0.53	0.51	0.50
Total.	19.82	24.24	20.25	21.28	29.86
C. Charges for Processing.					
8. Salaries of Factory Staff.	1.18	0.21	1.08	1.16	0.20
9. Wages of Factory labour.	3.07	1.31	2.90	3.17	1.04
10. Coal & Other Fuel.	0.97	0.69	.94	1.06	0.63
11. Maintenance of Factory.	0.67	0.36	0.64	1.20	0.33
12. General Stores.	1.06	2.13	1.16	1.41	2.20
Credits.	0.30	...	0.26	0.25	...
Total.	6.65	4.70	6.46	8.05	4.40
D. General Charges					
13. Up-keep of Bldgs. etc.	1.38	1.52	1.29	1.44	2.14
14. Depreciation.	1.82	2.21	1.86	1.98	2.13
15. Cost of other labour benefits.	1.56	0.84	1.49	1.76	1.56
16. Bonus to staff.	.27	0.24	0.27	0.48	0.34
17. Bonus to labour	0.98	0.78	0.96	1.67	2.45
18. Salaries & allownces to Estate	5.70	5.70	5.70	6.77	5.32
Head Office.	0.41	...	0.37	0.49	...
19. Genral Charges: Estate	2.21	2.70	2.26	2.59	2.28
Head Office.	2.13	0.71	1.99	2.30	0.68
Credits.	0.05	0.76	0.12	0.43	0.49
Total.	16.41	13.94	16.17	19.05	16.41
E. Packing.					
20. Cost of packing material.	1.00	0.51	0.96	1.35	0.67
21. Labour for packing.	0.21	0.19	0.20	.24	0.32
Total.	1.21	0.70	1.16	1.59	0.99
F. Selling Expenses.					
22. Freight & Transport.	1.11	0.97	1.10	1.07	1.97
23. Stock & Transit ins.	0.16	0.97	0.15	0.25	0.02
24. Other selling expenses.	1.01	...	0.91	0.66	...
Total.	2.28	1.04	2.16	1.98	1.97
Grand Total.	55.55	51.71	55.18	63.70	61.68
16 (b) Commission to Manager& other senior staff.	0.75	..	0.67	1.02	...
(c) Commission to Managing Director or agents and agency allowance.	0.49	...	0.44	0.77	...